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SALW and Private Security Companies in South Eastern Europe: A Cause or Effect of Insecurity?
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Executive Summary

1 Introduction

This report surveys the development, conduct and regulation of the private security industry in the eight countries currently party to the European Union's Stability Pact for South East Europe. The privatization of security in the region that followed the end of Communism in the early 1990s mirrors a global trend in which security roles that traditionally fell exclusively within the realm of the state have been gradually outsourced to private actors.

In its early years, the industry was initially unregulated and displayed problems seen in other economic sectors emerging from a centrally driven socialist command economy. Some parts of the industry were strongly associated with organised criminal elements, as well as in some circumstances extreme nationalist politics. Over the last decade the sector has begun to professionalise, as the governments of the region have made legislative efforts to introduce controls. Whilst in most cases the members of the private security industry do not pose a direct threat to the states or citizens of South Eastern Europe (SEE), significant concerns remain, ranging from cases of improper criminal, political or paramilitary affiliations, to the improper use of force in individual cases.

The report assesses the situation in Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the Former Yugoslav Republic of Macedonia, Moldova, Serbia and Montenegro (including the internationally administered territory of Kosovo) and Romania. It examines the background to the privatization of security, contemporary security threats, services provided by private security companies (PSCs) and the regulation and oversight of PSCs. The report is the first of its kind conducted in the region and could be used as an initial guide for policy-makers, and also as the basis for more detailed future research. It was not possible to cover most issues that fell within the scope of the research in depth and opportunities to corroborate information have been limited. However, this report represents a sufficiently accurate picture of the current situation to identify key trends, as well as the major issues of concern, both in individual countries and across the region as a whole. It is hoped that by discussing this issue it will stimulate both domestic and international attention.

This summary sets out key thematic findings and recommendations that apply to each country and entity of the region and also some of the country specific recommendations that are made at greater length in the country chapters.

2 General findings

2.1 Industry growth and consolidation

A number of factors have created a demand for private security provision in SEE over the last decade, ranging from high crime rates, to public corruption, poor standards of policing, and a legacy of inter-ethnic distrust in former conflict areas. Coupled with the withdrawal of state security protection from newly privatised property and a legacy of inter-ethnic distrust in former conflict areas, this has led to the substantial growth of the private security sector. The SEE region has seen one of the most rapid privatizations anywhere in the world during the last decade, moving from an almost total absence of private security provision at the end of the 1980s, to the point where the industry is now a major employer and security provider.

PSCs now offer largely similar services that reflect worldwide industry norms – guarding offices, factories, and other public buildings as well as providing armed response units and escorting valuable commodities and cash when in transit. Some of the countries in the region display smaller niche private security markets largely directed at the provision of close protection services (bodyguards) and, very rarely, the provision of private security to private homes.

While the market in some parts of the region is still relatively undeveloped, in other parts, particularly EU accession states, the industry has expanded to a point where the number of PSC employees significantly exceeds police personnel. In recent years the industry has also shown signs of consolidation in most countries, leading to a net decrease in the numbers of companies that operate despite an overall expansion in the sector. Domestic PSCs



still dominate the private security market in the region however, with relatively few international firms having a presence. This is in part due to a prohibition on the operation of international PSCs in many countries. In EU candidate countries though, the private security market has opened up to foreign competition and a number of international firms have already entered the market.

The report recommends that:

- The regulatory authorities of each country and entity should work together with the most progressive members of the private security industry to introduce and implement far-reaching regulations that meet the best international standards, so as to ensure that PSCs operate in a safe and professional way.

2.2 Patterns of affiliation

There were problems with the affiliations of PSCs in almost every country or entity in the region, whether to political parties, criminal, paramilitary or ethnic groups which is a concern.

Security sector affiliations: in virtually every country there is evidence of former police officers being employed by the private security industry. While the employment of former police personnel by PSCs is not a problem if it is adequately managed, where such links mean that the sector is not properly policed there is the prospect that illegal activities go unpunished. In some cases (especially Croatia, Kosovo and Bulgaria), concerns were raised that the private security industry was in competition with the police or publicly owned security companies, e.g. competing alongside PSCs for contracts. This carries the risk that PSCs come to be seen as providing policing 'on the cheap', with the prospect that public security provision is undermined in the long-term.

Ethnic affiliations: in divided societies, such as Bosnia and Herzegovina, Macedonia and Kosovo, there was also evidence of sectarianisation within the PSC industry. The case of Bosnia is perhaps the strongest, in part because the nature of regulation discourages rather than encourages the creation of multi-ethnic companies.

Political affiliations: in contrast to many other parts of the world where PSCs have performed a political role in disrupting the constitutional order and helping to destabilise governments, the countries of SEE are by and large fortunate in having a PSC sector that has not posed a threat to the legal authorities. The issue of specific political links between political parties and the private security industry was however highlighted in Serbia and Croatia as well as, to a lesser extent, in Bosnia and Herzegovina, Macedonia and Kosovo.

Paramilitary affiliations: this was an issue of great concern in Macedonia as there was evidence that ethnically based groups, formally from the security forces, had established security firms. There is also more limited evidence of links between PSCs and former paramilitaries in Serbia and Kosovo.

The report recommends that:

- The legal framework should clearly distinguish the roles of private and public security providers in all cases. Although public security services have an important crime prevention role that should not be neglected, a clear separation should be enshrined in law between the traditional 'core' function of public security services – law enforcement, and the additional protective services that PSCs typically offer. Joint working agreements between the police and PSCs should be considered in situations where the police and private security guards work together (e.g. during public events).
- Thorough background checks of PSC owners and employees are conducted and that in the case of ownership of companies such checks also include the backgrounds of close family members in order to discourage ownership of PSCs by criminals.
- Where ethnicity has been a conflict issue, steps should be taken to discourage PSCs of exclusive ethnicity operating over the longer term.
- Where companies have a clear affiliation with former or current units or groups within the security sector, including non-formal paramilitary or rebel groups, it is vital that this situation is challenged and monitored on



an ongoing basis. A general prohibition on the use of names with paramilitary associations by PSCs should be considered.

- Direct links between specific political parties and specific PSCs should be prohibited.

2.3 Legislation and regulation of the sector

Although most countries in the region have chosen to regulate the domestic conduct of the private security industry, great variation still exists, ranging from states that have not introduced specific legislation covering PSCs (e.g. Serbia), to those with the most advanced regulatory systems (Bulgaria and Romania in particular). While this has not entirely eliminated problems with the conduct of particular firms or their staff, in countries where industry growth has been most rapid, regulation has helped to induce professionalism. In terms of prioritisation, it is clear that Serbia, Montenegro, Albania and Macedonia are all countries where support for the state in regulating and professionalising the private security sector is most needed.

The report recommends that:

Licensing of companies:

- Licensing systems should be established that clearly define the type of security services that PSCs may and may not provide.
- Legislation should clearly set out the criteria against which licence applications are to be assessed on a case-by-case basis for every new company and/or contract. These should include, *inter alia*, whether the company and its proposed activities would threaten public security and law and order; undermine economic development; enhance instability and human suffering; increase threat perceptions in neighbouring countries; contribute to or provoke internal intervention or external aggression; violate international embargoes, etc.
- Licences should be time-limited in order to ensure regular re-accreditation and high levels of professionalism, and regular monitoring of PSC activities should be carried out, with penalties including fines and revocation of licenses in the case of violation of the law.
- Legislation should have an extra-territorial dimension to cover the eventuality that companies may work overseas in countries with inadequate legal frameworks.
- Guidelines should be established that define when it is appropriate to use a PSC and when it is appropriate to use the police, to ensure that the police and PSCs are seen as complementary institutions working towards the same end, rather than as competitors.

Licensing of personnel:

- Governments should ensure that PSC owners, directors, their spouses and employees are licensed to work in the sector according to objective criteria.
- Background checks should be carried out prior to licences being awarded to ensure that personnel have no criminal record, no past responsibility for human rights violations or violations of international humanitarian law and have not been dishonourably discharged from the police or armed forces.
- Each company should maintain accurate records on its employees to allow for inspections by state oversight bodies.

2.4 Oversight and enforcement

Most of the countries of the region exhibited some problems with the effective implementation of the laws governing PSCs and with broader oversight of the sector. Concerns were raised especially about those PSCs that employed significant numbers of former members of public security forces, where perhaps 'favours' can be called in. Allegations were made in most countries that the authorities had not investigated cases of law breaking by PSCs in all cases.



The report recommends that:

- Complaints of heavy-handedness or illegal behaviour by PSC staff should be investigated promptly and thoroughly, and prosecutions brought where appropriate.
- The oversight process itself should be monitored and reviewed on an ongoing basis.
- All states should provide an additional layer of oversight above and beyond that provided by national police and intelligence services, looking in particular to develop the capacity of ombudsman's offices and parliamentary committees to scrutinise the work of the private security sector and handle complaints.

2.5 Use of force and firearms

PSCs are permitted to carry firearms in every country or entity in the region with the exception of Kosovo, where only international personnel can be armed. In most cases PSCs are restricted to the use of short-barrelled 9mm weapons. A few countries (e.g. Albania and Serbia) permit the use of automatic weapons. Despite allegations of misconduct by PSC personnel, with a few important exceptions, there are relatively few proven cases of the misuse of force or firearms across the region. However, evidence of lax armoury discipline is available in some countries, which entails the risk of weapons being misused by individual PSC employees.

The report recommends that:

- Strict and detailed guidelines should be provided by national legislation for the use of minimal force in accordance with best international practice by personnel working within the industry. This should cover the use of firearms and less-lethal weapons systems such as chemical sprays, shock equipment and batons.
- Less-lethal weapons should be seen as an alternative to the use of deadly force rather than as a lesser step. Their use should be monitored on the same basis as the discharge of a firearm and regulated similarly.
- There should be regular and random inspections of PSC armouries to ensure that weapons and ammunition are stored in secure conditions and adequate accounting mechanisms are in place.

2.6 Training and professionalism

Though concerns about professionalism and conduct remain, the private security industry in SEE has significantly professionalised over the last decade or so, to the point where in most cases, its members pose little or no security threat. This is partly due to the natural consolidation of the industry over time, since the larger companies that usually come to dominate the market cannot afford to develop a bad reputation. However there are cases of improper criminal, political or paramilitary affiliations and the improper use of force by PSC personnel.

While beneficial in most cases, the training that is available to PSC staff in all countries has not raised standards across the board. Training providers range from state security forces to independent colleges and PSCs themselves. The curricula offered and the duration of the courses also vary widely from country to country, though most include basic elements such as understanding the law, use of weapons and firearms (where relevant), and first aid. In many cases the content and effectiveness of training appears inadequate.

Industry self-regulation is present in approximately half of the countries and entities in the region where companies have formed trade associations of one form or another to represent their interests. This has not however been backed up by the adoption of voluntary codes of conduct in all cases.

The report recommends that:

- States should establish and effectively oversee a training regime for PSC staff that gives personnel a good grounding in relevant international humanitarian law, human rights laws, first aid and gender issues. All personnel should be properly trained in and committed to respect best international standards and practices



relevant to the field and in particular the UN Code of Conduct for Law Enforcement Officials and the UN Basic Principles on the Use of Force and Firearms by Law Enforcement Officials.

- Licensing of PSC personnel should be conditional on the successful completion of approved training.
- The PSC industry should look at strengthening voluntary codes of conduct and trade associations where they exist and creating them where they do not.
- Employers of PSCs should only employ companies that adhere to these voluntary standards.

2.7 Transparency and accountability

There were concerns about a lack of transparency of the security industry in most of the countries that were studied, and different issues were raised in each case. However, particular problems were encountered in Moldova, Serbia and Albania.

The report recommends that:

- Laws should lay out basic minimum requirements for the transparency and accountability of private security company operations, ranging from internal systems of governance (e.g. rulebooks, responsibilities of boards of governors, staff recruitment, training and conduct) to financial and contractual matters (e.g. duties of public disclosure; company structures, issues of ownership and interest).

2.8 Procurement

Limited transparency meant that insufficient information was available on the procurement practices of either private businesses or public institutions employing PSCs. While international organisations were in some cases able to provide details of their tendering procedures and the criteria used, many client organisations approached for the research were either unwilling or unable to reveal their practice in this area. Often it was apparent that contracts are awarded either on an informal basis, or simply according to cost.

The report recommends that:

- Procurement policy and practice should exclude companies with known links to political parties, organised crime cartels or paramilitaries. The governments of the region have a special responsibility to effectively regulate PSCs and to empower other national institutions such as parliaments and ombudsman's offices to scrutinise the sector in this area.
- Governments and other major clients should establish clear contracting policies with financial and criminal penalties for breach of contract. Contracts should be put out to tender and awarded on criteria that require issues other than cost to be taken into account, including strict adherence to national and international law on the use of force. Safeguards should be put in place to minimise the risk of contracts being awarded on the basis of political influence.

2.9 Linkages to Security Sector Reform

Although a professional and well-regulated sector is vital for the successful development of SEE countries' economies, the importance of the private security sector has generally not been recognised by those countries and international institutions that have been providing Security Sector Reform (SSR) support in the region. However, the private security sector is often one of the largest groups of armed actors, and PSCs use force in the course of their work. They should therefore be a key element of SSR work.



The report recommends that:

- The private security sector should be included in any mapping of the security sector prior to and during SSR projects.
- PSCs should be the subject of democratic civilian control and incorporated into SSR programmes including regulation and oversight.

3 Country findings

3.1 Albania

In Albania, the private security industry is still relatively small and underdeveloped. This reflects the economic situation in the country but is also in part a result of legislation that caps the size of companies relative to the number of local police in each district. While this ensures that the local police will not be outnumbered by any one company, it also acts as a disincentive towards professionalisation, and inhibits effective companies from taking advantage of their improved reputations by expanding. Successful PSCs are unable to merge with each other, which has been one of the principal drivers towards better professionalisation elsewhere in the region. There are a number of concerns in Albania relating to the control of small arms and light weapons (SALW). Private security guards are permitted to carry military weapons, use their own weapons and to store weapons at home – bringing with it the danger of misuse of weapons in the domestic environment. Background checking of individual security guards appears to be insufficient and there is evidence that there are unlicensed operators working in the industry, a fact that undermines the regulatory and training system. There is also evidence that some companies have inappropriate links to political parties, and that some PSC staff have used disproportionate force in the course of their work. The report recommends that SALW legislation be revised to ensure that guards are appropriately armed and only licensed trained individuals are permitted to work as security guards.

3.2 Bosnia and Herzegovina

The situation in Bosnia and Herzegovina (BiH) is complex largely because of the devolved nature of government in the country. At present there is no national legislation covering the regulation of the private security industry but rather two, significantly different, pieces of regulation in each of BiH's 'Entities'. Further, in the case of the Federation of Bosnia Herzegovina (FBH), implementation of the current legislation is further devolved down to the cantonal level. As a result of these complex arrangements which make it illegal for a PSC registered in one entity to work in the other, the industry remains structured along largely ethnic lines and the consolidation that has occurred in some other parts of the region has yet to happen. While there were some questions related to the enforcement of the legislation in BiH, recent raids by the authorities have seen a number of illegal operators, including some in possession of sizeable stocks of military arms and explosives, brought to book. The report makes a number of recommendations including the introduction of national regulation, and that companies themselves need to work together in order to promote self-regulation through the creation of a trade association and code of conduct.

3.3 Bulgaria

The situation in Bulgaria has improved significantly in the last decade and the private security industry itself is perhaps the most developed in the region. Initially the industry was strongly associated with organised crime but a series of regulations introduced by the government of Bulgaria over the last eight years has significantly reduced the involvement of organised crime in the industry and encouraged professionalisation. The industry has now advanced to the stage that international companies operate in Bulgaria, and Bulgarian firms have started to export their services abroad, including to Iraq. However, concerns remain about the industry. Unlicensed operators can still be found, there is no legal requirement for background checks of individual PSC employees, and competition between the police and the private industry remains. The report recommends that the police should no longer attempt to directly compete with the private security industry, that the regulatory authorities should be more proactive in investigating complaints against the industry, and that parliamentary oversight should be strengthened.



3.4 Croatia

In Croatia the private security industry has developed significantly over the last decade. While the sector remains dominated by Croat firms, a number of companies have emerged as market leaders and the sector is now expanding at a rate of about 10% per year. Although a cross-industry code of conduct has not yet been agreed, state regulation is such that this is not as big a concern as in some other countries. However, there have been allegations that the industry has links with organised crime groups and some PSCs have party political affiliations. The report recommends that the government should continue to monitor this and update and simplify the current regulatory structure.

3.5 Macedonia

PSCs have only operated in the Former Yugoslav Republic of Macedonia (FYROM, hereafter referred to as Macedonia), since 1994. The industry remains fairly small and is highly likely to go through a process of both expansion and consolidation over the next few years. Foreign firms are presently prevented from operating inside Macedonia but this is likely to change as the country gears itself up for EU accession. There are a number of important concerns largely related to the affiliations of some companies. Firstly, it seems that private security companies in Macedonia reflect the ethnic segregation seen in wider Macedonian society, being largely mono-ethnic. Secondly, some PSCs have direct affiliations to some former police and army units that fought in the emergency in Macedonia in 2001. These are issues of concern that the government should seek to address. Of greatest concern however is the lack of evidence of external oversight or the implementation of regulations in the country, including adequate background checks for people wanting to work as private security guards. The report recommends improving working practices of PSCs and strengthening firearms legislation.

3.6 Moldova

It is difficult to address the situation of Moldova with any great certainty, as there are significant problems with transparency in the country as a whole and most especially in Transdniestria, where there only seems to be one extremely well connected company offering security services. While regulation of the sector does exist it is overly bureaucratic and in need of simplification. The industry itself continues to be fairly small and it is likely to expand as the economy develops. The report recommends that the regulatory system should be simplified and that current competition between the police force and the industry should be ended through establishing clear lines of responsibility between the public and private security sectors.

3.7 Romania

Although small in size, the security industry in Romania, along with Bulgaria, is probably amongst the most developed in the region, both in terms of professionalisation and the legislative framework. Romanian PSCs initially emerged in an unregulated environment where the line between legitimate business and organised crime was very indistinct. However, since 1996 the sector has become increasingly regulated. A number of concerns do remain though, primarily based around the issue of the effective implementation of legislation and of oversight. Further, recent firearms legislation has brought into question the extent to which companies control the firearms that are issued to PSC personnel. Also, at times PSCs are permitted access to automatic weapons, a practice that is of questionable utility and some risk. As with Bulgaria, the industry is open to foreign companies, some of which have now entered the domestic market, and some Romanian firms have begun exporting their services to Iraq and elsewhere. The report recommends that relationships between the private security industry and the police and other state bodies be clarified in order to prevent competition. There should also be a review of existing training requirements for security guards and the capacity of oversight actors should also be strengthened.



3.8 Serbia and Montenegro

Serbia

The situation in Serbia is probably of the greatest concern in the region. At the current moment there is no direct legislation that addresses the private security market. This has meant that the industry, while extensive and well developed, contains some companies that are essentially fronts for organised crime organisations. The current regulations covering SALW are also of concern. Weapons are owned by and licensed to the individual guard meaning that there is a greater potential for their misuse. Further, automatic military style weapons are commonly used by the industry despite their being inappropriate for such usage. The report recommends that the government adopt a licensing system as soon as possible that will begin to eliminate the more unprofessional parts of the industry. In the interim it is vital that international employers of security services in the country adopt some basic principles in order to ensure that the company they employ is professional.

Montenegro

While the private security industry started in Montenegro in 1992, which is relatively early compared to many of the entity's neighbours, the industry only really began to pick up in the late 1990s. The key concerns regarding the privatization of security in Montenegro centre around the need for existing laws to be properly implemented. While a licensing system exists it is not fully implemented and even those companies that have registered are not required to conduct background checks of their staff. It has also been common practice for police officers to undertake security work when off duty, leaving the issue of police oversight open to a potential clash of interests. The report recommends that there is a clearer relationship between PSCs and the police, an increase in transparency with the regulation of PSCs and the introduction of rigorous training programme, which will address the appropriate use of force and other issues.

Entity of Kosovo

In Kosovo the security industry dates from the international intervention of 1999. Under Kosovo's current constitutional arrangements, the management and oversight of security is a reserved responsibility of the United Nations Mission in Kosovo (UNMIK). Within the industry, a key distinction is made in law between a small number of armed international PSCs and the larger number of domestic unarmed PSCs. There is also a separation between local unarmed PSCs and local bodyguards who may be armed. The key issue of concern in the territory is the competition and animosity between the private security industry and the Kosovo Police Service (KPS). This was partially generated by the KPS allowing off duty officers to provide security services in the past, as well as by the creation of a semi-commercial segment within the KPS, which provides guard services. While this has recently been partially curtailed it continues to be a matter of some concern. There is also evidence of links between some companies and the former Albanian armed group the KLA, and with organised crime groups. There have also been a number of cases where security guards have used unnecessary or undue force, pointing to a need to overhaul the training system and background checks that the industry currently applies, especially amongst armed bodyguards. The report recommends that clear lines of demarcation between the state and private security sectors are established to avoid competition and potential animosity and that the training, arming and vetting of PSCs and their personnel are improved.



Acronyms

ANA	Albanian National Army
BICC	Bonn International Center for Conversion
BiH	Bosnia and Herzegovina
CSD	Center for the Study of Democracy
CSS	Center for Security Studies
DfiD	Department for International Development
EAPC	Euro-Atlantic Partnership Council
EAR	European Agency for Reconstruction
EUFOR	European Union Force in Bosnia and Herzegovina
EUMM	European Union Monitoring Mission
EUPM	European Union Police Mission
EURISC	European Institute for Risk Security and Communications Management
Europol	European Police Office
FRY	Federal Republic of Yugoslavia
HDZ	Croatian Democratic Union
ICITAP	International Criminal Investigative Assistance Training Program
IDM	Institute for Democracy and Mediation
IDP	internally displaced person
IFOR	Implementation Force (NATO)
IPP	Institute for Public Policy
KFOR	Kosovo Force (NATO)
KLA	Kosovo Liberation Army
KPC	Kosovo Protection Corps
KPS	Kosovo Police Service
LCESFA	Law on the Control of Explosive Substances, Firearms and Ammunition
LCFTADGT	Law on the Control of Foreign Trade Activity in Arms and Dual-Use Goods and Technologies
MANPADS	Man-Portable Air Defence Systems
MEP	multi-ethnic police
MFA	Ministry of Foreign Affairs
MoD	Ministry of Defence
MoE	Ministry of Economy
Mol	Ministry of Interior
MoPO	Ministry of Public Order
MoU	Memorandum of Understanding
MTR	Moldovan Transdniestrian Republic
NATO	North Atlantic Treaty Organisation
NBPS	National Border Police Service
NFP	National Focal Point
NGO	non-governmental organisation
NLA	National Liberation Army
OHR	Office of the High Representative of Bosnia and Herzegovina
OSCE	Organization for Security and Co-operation in Europe
PfP	Partnership for Peace
PISG	Provisional Institution of Self-Government (Kosovo)



PMC	Private Military Company
PSC	Private Security Company
RS	Republika Srpska (BiH)
SALW	Small Arms and Light Weapons
SAP	stabilisation and association process
SAS	Small Arms Survey
SCG	State Union of Serbia and Montenegro
SECI Center	Southeast European Cooperative Initiative (SECI) Regional Center for Combating Trans-border Crime.
SEE	South Eastern Europe
SEESAC	South Eastern Europe Clearinghouse for the Control of Small Arms and Light Weapons
SFOR	Stabilisation Force (NATO Bosnia and Herzegovina)
SFRY	Socialist Federal Republic of Yugoslavia
SSR	Security Sector Reform
SSSR	Support to Security Sector Reform
UCPMB	Army of Presevo, Medvedja and Bujanovac
UN	United Nations
UN DDA	United Nations Department for Disarmament Affairs
UNDP	United Nations Development Programme
UNHCR	UN High Commissioner for Refugees
UNIFEM	United Nations Development Fund for Women
UNMIBH	UN Mission in Bosnia and Herzegovina
UNMIK	UN Mission in Kosovo
UNPoA	United Nations Programme of Action to prevent, combat and eradicate the illicit trade in SALW
UNSC	United Nations Security Council
VJ	Yugoslav National Army
VSCG	Serbian and Montenegrin MoD and state army
WAC	weapons authorisation card



Definitions

close protection

the provision of armed or unarmed personal protection to an individual (the principal).

immunity agreement

a legal agreement, between states, or between states and companies, which exempt private security companies from prosecution under the laws of the country in which it operates.

mercenary

individual combatants fighting in foreign conflicts for financial gain.

- Mercenaries are defined within international humanitarian law. There are United Nations and Organization of African Unity Conventions that ban their use.

Private Military Company (PMC)

a company that provides military services for profit.

- This normally can vary from the offer of fighting through to military training and logistics support.

Private Security Company (PSC)

a company that provides security services (generally of a police type) for profit to other organisations and/or individuals.

Rapid Response Units (RRU)

mobile units that respond to a specific situation or incident.

static security

the security of fixed assets, normally a building or a warehouse.



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Introduction

1 The privatisation of security, a global trend

Over the last decade, a range of writers and observers have monitored the global rise of privatised security.¹ Increasingly, private security companies (PSCs) are taking on roles that are traditionally the preserve of state security providers. These roles include escorting and transporting high-risk commodities; providing rapid response services attached to alarm systems; stewarding large public events; operating prisons; securing courts; and providing static security to a wide range of facilities, such as banks, ports and embassies.

In 1999, the Confederation of Security Services (CoESS) estimated that there were more than 500,000 guards working for 10,000 companies that specialise in the surveillance of industrial sites, offices, public buildings, stores and airports, the transportation of money, and the protection of individuals and homes in member states of the EU.² Today, with the eastern expansion of the EU, that number may well have doubled, without taking into consideration illicit PSCs and their employees.



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The expansion of the role and importance of the private security industry has probably reached its zenith in modern Iraq, where private contractors are providing vital security services to a wide range of clients, including the US and UK armies, the Government of Iraq and a whole host of private enterprises, such as oil and transportation companies. Yet, the private security sector is neglected in most analyses of security sector reform, even though it may constitute a significant segment of the sector, in some countries outstripping the police in terms of number of employees. For example, countries in which the number of domestic PSC employees and the size of PSC budgets exceed those of public law enforcement agencies currently include the US, the UK, Israel, Germany, Russia, South Africa, and the Philippines.³ This neglect is unfortunate since regulation of the private security industry is an essential component of state control of the use of force. SSR is fundamentally an exercise to bring about effective democratic civilian control of those institutions that exercise violence on behalf of the community. As PSCs use force in the course of their work they too should be the subject of democratic civilian control and fall within the scope of SSR programmes.

Some have argued that the privatisation of security in Europe and North America is part and parcel of the changing nature of warfare since the end of the Cold War, with developed nations in particular adopting new security doctrines that entail increasingly high-tech armies, in which non-core functions are increasingly outsourced to private firms.⁴ In many countries, such as the UK and the US, this has involved the use of private companies to provide logistical support to the military, including, but not limited to, catering for the armed

¹ For example Peter Singer, *Corporate Warriors: The Rise of the Privatized Military Industry*, Ithaca: Cornell University Press, 2003.

² 'Joint Declaration on the Mutual Recognition of CoESS and UNI-Europe and the Social Dialogue', Report of Berlin Conference, 10 June 1999, p 8.

³ The ratio of private security guards to police in Germany is 1.5:1, in the US 3:1 and in California 4:1. In some other less developed countries the ratio may be even more. In the US, PSCs out-spend public policing by 73% (1997) and employ more than 2.5 times as many personnel in an industry that, already in 1991, was employing 1.5 million personnel and generating \$52 billion in spending. In contrast, public law enforcement was employing 600,000 personnel and spending \$30 billion. In Israel, PMCs and PSCs are the single largest employer in the country with over 100,000 employees and the revenues generated are said to clearly surpass the large Israeli defence expenditures. In Great Britain, the private security industry is larger than the government's police force, with 7,850 PSCs employing more than 162,000 people, compared to 142,000 public police. In South Africa, there are 10 times more people engaged in private policing than public police. The largest security force in the Philippines is neither the 102,000 strong national police nor the 120,000 strong national army, but the 182,000 private security guards who are virtually armies for hire. See: E. Eppler, *Vom Gewaltmonopol zum Gewaltmarkt*, Frankfurt am Main, Suhrkamp Verlag, 2002, p 28; Blakely E.J. and Snyder M. G, *Fortress America: Gated Communities in the United States*, Washington D. C., Brookings, 1997, p 126.

⁴ Singer P.W, *The Private Military Industry and Iraq: What We Have Learned and Where To Next?* Centre for the Democratic Control of Armed Forces (DCAF), Geneva, November 2004.



forces and the maintenance of equipment. Yet, the phenomena is also a natural consequence of economic liberalization, which has seen European and North American states downsize their public sector and take increasingly less responsibility for public safety as ever more services, whether in schools, prisons or policing, are outsourced.⁵ Economic arguments aside, the merits of this model is that it allows institutions to increase efficiency by concentrating on their core functions – crime prevention and law enforcement in the case of the police – while hiving off other burdens, such as prisoner transportation and forensics.⁶ The uneven economic growth associated with globalisation and economic liberalisation also contributes to the demand for private security as societies become more polarised and new property owners look for security above and beyond that which state agencies can provide.⁷ With these mutually reinforcing factors in play, it seems that the phenomenon of privatised security is here for the foreseeable future. Policy-makers and researchers must learn to deal with the associated challenges of regulation and accountability posed by a market which continues to grow in both size and importance.

2 Roles and definitions of private security providers

PSCs operate at one end of a continuum of private security provision, which also includes unofficial and/or illegal operators, such as mercenaries, paramilitaries, vigilantes, neighbourhood civil defence forces, as well as the more official operators that provide military-style services – Private Military Companies (PMCs). The range of different types of security companies that comprise the private security industry is illustrated by the following categorisation provided by the International Peace Operations Association, a US advocacy and lobbying organisation for private security firms. This categorisation divides providers into one of three groups: Non-lethal Service Providers (NSPs), Private Military Companies (PMCs) and Private Security Companies (PSCs).⁸

MILITARY SERVICE PROVIDERS (MSP)		
NSP (Non-lethal Service Providers)	PSC (Private Security Companies)	PMC (Private Military Companies)
Mine and UXO Clearance Logistics and Supply Risk Consulting	Industrial Site Protection Humanitarian Aid Protection Embassy Protection	Military Training Military Intelligence Offensive Combat
PA&E Brown and Root ICI of Oregon	ArmorGroup Wackenhut Gurkha Security Guards	Executive Outcomes (Active) Sandline International (Active) MPRI (Passive)

Source: Adapted from Brooks, 'Protecting People: The PMC Potential', *Comments and Suggestions for the UK Green Paper on Regulating Private Military Services*, Alexandria, International Peace Operations Association, 25 July 2002.

⁵ For example private security companies have taken over the administration of prisons in some countries including the UK, Canada, Mexico and Lesotho. See for instance Prison Privatisation Report International No. 49, Public Services International Research Unit (PSIRU) University of Greenwich, August/September 2002, available at <<http://www.psiru.org/justice/ppri49.asp>>

⁶ In fact studies of police work have shown that most officers' time is spent on peripheral functions that could easily be performed by private actors. Schönteich M, "Introduction", in M. Schönteich et al., *Private Muscle: Outsourcing the Provision of Criminal Justice Services*, Institute for Security Studies, Monograph No93, January 2004, p. 10. In some countries, however, the core functions of state security institutions are also being outsourced, opening new questions and challenges about the role of the private sector. For example the multi-national firm Accenture recently won a US contract awarded by the Department of Homeland Security worth up to \$10 billion to track foreign visitors using digital photographs, fingerprints and other biometric data. 'Big Bucks for Biometric Screening,' *Wired News* (online), Reuters, 1 June 2004, available at <www.wired.com/news/privacy/0,1848,63683,00.html>

⁷ It is interesting to note that this model of security privatisation has led to deep-rooted association between PSCs and organised criminal networks in other parts of the world, particularly where economic downturn combined with military downsizing has created a supply of former state security personnel willing to provide private property protection services. This model has been noted in both Italy and Russia. Varese, F. 'Is Sicily the Future of Russia? Private Protection and the Emergence of the Russian Mafia,' *Archives Européennes de Sociologie*, 1994.

⁸ Alternative categorisations can be found elsewhere, e.g. Wulf H, 'Change of Uniform – but no Uniform Change in Function. Soldiers in Search of a New Role,' in BICC Conversion Survey 2002, Baden-Baden, Nomos Verlag, 2002, p. 97-98. Updated in Wulf H, *Die Internationalisierung von Krieg und Frieden*, Baden-Baden, Nomos Verlag, 2005; 'Green Paper,' UK Foreign and Commonwealth Office, p. 10. A similar list with only 5 types of activities and services provided, but with more companies listed, is presented by Weingartner G, 'Krieg als Geschäftszweig. Private Sicherheitsdienstleister und Söldner im Lichte des Kriegsvölkerrechts,' *Österreichische Militärische Zeitschrift*, No2, March/April 2004, p. 150. An interesting attempt at categorisation is made by Singer, who does not distinguish between PMCs and PSCs but lumps them together as Private Military Firms (PMF). Singer P. W, *Corporate Warriors*, 2003, p. 91.



While all such categorisations are problematic in some way (e.g. by introducing an artificial distinction between companies whose roles may vary over time), most operators will tend to fit in one or other of the above 'boxes' on most occasions. Nevertheless, there can often be overlap in the activities undertaken by PSCs and PMCs. According to the above categorisation, PMCs are those firms that offer military services for private profit. Many PMCs are in fact essentially 'passive' operators, providing training and organisational support, rather than undertaking offensive military operations. Nevertheless, it is PMCs that attract the most attention and criticism from observers, who see them as posing the most pressing difficulties with regard to regulation. In recent years the PMC debate has centred on the use of the industry in Iraq and, to a lesser extent, Afghanistan. While this is understandable, as the contribution of the private sector to the coalition forces in Iraq has been significant, it is likely that Iraq is an exception rather than an example of the future patterns of conflict – not least because it is unlikely that there will be another regime change war for many years due to the significant cost of fighting the war. Further, the debate regarding Iraq often confuses the use of contractors who are, for instance, driving trucks, with contractors providing security and yet others who provide services which are primarily military.⁹

In contrast to PMCs, PSCs offer an essentially protective, policing-style service for their clients, whether individuals or organisations. This tends to either take the form of 'Close Protection', where personal protection is given to an individual, particularly in the form of bodyguards; 'Rapid Response', where mobile units respond to a specific problem, such as a burglary; and 'Static Security', where assets, most often buildings, are secured.¹⁰

In less developed states and conflict areas, protective security may be of a high-level variety designed to deter attacks by guerrilla forces. In environments such as this, companies are more likely to perform multiple functions and to adopt both 'passive' and 'aggressive' tactics as required, blurring the PMC/PSC distinction as they do so. However, in more peaceful environments, such as Western and South Eastern Europe, contracts are more likely to involve guarding VIPs, banks, embassies and industrial facilities from routine criminality.



**Personal Protection Officer (PPO),
Zvonimir Security k.d, 2001**

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3 The South East European context

The private security industry in South Eastern Europe (SEE) emerged in the early 1990s as the region moved away from Communism. The countries of the region, some of which have experienced violent conflict and all of which remain in transition, have all faced problems in providing effective security for their citizens in recent years. To differing degrees, all countries have faced problems with weak state institutions, traditions of authoritarian policing, public corruption and rising rates of organised and petty crime. These factors have reduced the public's faith in state security providers and created the demand for private security provision. Coupled with the withdrawal of state security protection from newly privatised property, these factors have created the conditions for the substantial growth of the private security sector across the region.

The early structure and practice of the industry generally reflected the chaotic nature of the transformation from socialism to capitalism in a largely unregulated market. Many of the early security companies were little more than fronts for organised gangs of racketeers and often gained customers through intimidation as well as feeding on the desperate need to gain some form of security in an increasingly insecure environment. An important secondary factor in the evolution of the industry in the territory of the former Yugoslavia was the emergence of ethnically based conflicts, often themselves prosecuted with the help of non-state actors. These conflicts were in part prosecuted by non-state actors including ethnic paramilitary organisations (comprised of 'quasi-private military combatants'¹¹), neighbourhood self-defence units, international PMC companies and regional

⁹ See for instance Taylor G, 'Legal limbo shadows civilian sin war zone,' The Washington Times, 06 July 6 2005, available at <<http://www.washingtontimes.com/national/20050706-123345-1812r.htm>>

¹⁰ There is also some overlap with private intelligence companies who offer surveillance for their clients. In Eastern Europe, it is common for former state security personnel to work in this market. According to one study, Romania has more than 160 private intelligence services, most run by former Securitate or military intelligence personnel, while Russia has over 12,000 private security enterprises or security services companies, employing some 120,000 personnel typically with KGB or GRU backgrounds. Van Bergen Thirion C. J, The Privatization of Security: A Blessing or a Menace?, South African Defence College, Pretoria, 1998.

¹¹ Andreas, P. 'The Clandestine Political Economy of War and Peace in Bosnia'. International Studies Quarterly, 48 (1): 29-51, 2004.



mercenaries.¹² An atmosphere of inter-communal distrust and animosity has followed these wars helping to generate additional demand for protection from some elements in society. The termination of these conflicts also provided significant numbers of ex-combatants who subsequently sought and found employment in the private security industry.

In fact, the SEE region has probably seen one of the most rapid privatisations of security worldwide. While at the end of the 1980s there was virtually no private security industry in the region, it has now expanded to be a major employer and security provider. Yet, until now the emergence of the industry has not been mapped on a regional scale and while there has been some discussion on the role of international PSCs and PMCs in the region, the rise of the domestic industry has gone largely undocumented.¹³ The few reports examining the international private security sector have tended to focus on the misconduct of individual PSC employees rather than their role and the impact of the industry as a whole.¹⁴

4 Purpose of the report

The private security sector is often neglected in most analyses of security sector provision and reform, and it is often bypassed by analysts who are drawn to the more dramatic questions surrounding the work of PMCs. This report forms part of a broader three-part project by International Alert and Saferworld, which aims to:

- a) conduct research on the growth, conduct and regulation of companies in selected regions worldwide;
- b) develop a workable methodology for conducting primary research on private military/security companies;
- c) contribute towards the development and elaboration of regulatory norms and standards to guide the work of the industry.

In view of the dramatic growth of the industry in the SEE region in recent years, the immediate purpose of this report is to provide the reader with an overview of the current situation within the countries and entities in the region, as defined by the European Union Stability Pact for SEE.¹⁵ In attempting to provide the first-ever overview of the work of PSCs in the region, this report has focussed on some of the basic research questions that apply to the sector, such as:

- How many PSCs are operating in each SEE country?
- What services are they providing and for whom?
- What is the hiring process?
- What threats are they hired to protect clients from?
- What impact do they have on security, business confidence and public security provision?
- What legislative and regulatory frameworks are in place?

¹² The last two types of private security providers supply especially interesting examples of the privatisation of security in SEE and the inability of state governments to regulate non-state violent actors. The US military company MPRI was employed by as military advisers in Bosnian, Croatia and Macedonia during the post-Yugoslav conflicts of the early 1990s, while Russian Cossack fighters from the Kuban and other parts of Russia were employed as mercenaries in both the Moldovan war (1991-1992) and the Bosnian conflicts. Vankovska, B. "Privatisation of Security and Security Sector Reform in Croatia," in Lilly and von Tangen Page (eds.) *Security Sector Reform: The Challenges and Opportunities of The privatisation of security, a global trend of Security*, International Alert, London: 2002; Ionescu, D. *From SSMR to the Republic of Moldova+* PMR, Chisinau: Museum, 2002. Also Derluguian, G.M. and Cipko, S. "The Politics of Identity in a Russian Borderland Province: The Kuban Neo-Cossack Movement, 1989-1996," *Europe-Asia Studies*, 49 (8) December, p 1485 - 1500.

¹³ One of the few reports to address the rise in the domestic industry was Vankovska B, 'Privatisation of security and Security Sector Reform in Croatia', in Lilly D and M von Tangen Page (eds), *Security Sector Reform: The Challenges and Opportunities of the Privatisation of Security*, International Alert, London, 2002.

¹⁴ The most famous example of which is the involvement of employees of the US PSC DynCorp, which had the Civ-Pol contract in Bosnia, in prostitution and people trafficking. See 'Woman sacked for revealing UN links with sex trade', *The Times*, London, 07 August 2002, available at <<http://www.timesonline.co.uk/article/0,,3-376444,00.html>>

¹⁵ Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Former Yugoslav Republic of Macedonia, Moldova, Serbia and Montenegro, Romania.



- How well are they implemented and enforced?
- Do these meet international standards and best practices?
- What weapons do they have legal access to and how are they used?
- What level of training do they have?
- Who has oversight and responsibility for their work?
- What action, if any, should be taken to improve the work of the sector?

In order to address these questions, the report attempts to summarise key findings in the different issue areas – ranging from regulatory frameworks to the use of force and firearms – for each country and entity of the region. Country-specific recommendations are then given at the end of each chapter. The report concludes with an assessment of key developments across the region before outlining a number of recommendations for the region as a whole.

4.1 Methodology

The second objective of the study is to develop a methodology for researching PSC regulation and conduct that can, with appropriate amendments, be made use of elsewhere in the world. To date, information on the activities of PMCs/PSCs has been difficult to obtain, partly because of secrecy within the industry, but also because of the novelty of the sector itself and the slowness of researchers to respond to a multi-disciplinary challenge. With a few notable exceptions, most reports on industry activities have tended to be journalistic, descriptive and particular in nature, rather than analytical or comparative. Therefore, in addition to the information contained in the country chapters and conclusion, this report also contains an annexed explanation of the methods adopted by the research team and the research questionnaire used by local researchers in the field. The annexed questionnaire was designed jointly by International Alert and Saferworld and, after an initial pre-test in Bosnia and Herzegovina and Croatia, was developed iteratively during and after the research carried out for this report. The country chapters of this report were compiled using the completed questionnaires submitted to the project team in London.

4.2 Scope and depth of research

This report is by its very nature a provisional one. It is important to state that this report is the first of its kind conducted in the region and, although no doubt overdue, was envisaged as preliminary ‘snap-shot’ of the SEE environment, to be used as an initial guide for policy-makers, and as the basis for more detailed future research. In this respect the report has two important limitations. Firstly, it was not possible to cover in depth most issues that fell within the scope of the research. Secondly, the opportunities to corroborate information have been limited. Consultations with government authorities and international organisations working in the area have, however, been possible in most cases, providing additional guarantees of report’s accuracy. The authors are therefore confident that this report represents a sufficiently accurate picture of the current situation to identify key trends as well as the major issues of concern, both in individual countries and across the region as a whole. It is hoped that by discussing this issue it will stimulate both domestic and international attention. The authors therefore look forward to receiving responses from all interested parties and hope that the debate it stimulates will be positive and forward thinking.

This report is the result of collaboration between SEESAC and two UK based international NGOs, International Alert and Saferworld, and local researchers in the region. A number of entities, which are not classed as independent states, were included in the study largely on the basis that they have a sufficiently different legislative framework and private security industry that they merit separate attention. No viewpoint should be inferred by their inclusion as to what their final status or their current position is or should be.

5 The need for regulation and oversight

Despite the relatively large size of the PSC industry (in terms of expenditure and employees) in many countries, much of the international debate regarding the privatization of security has, for reasons stated above, concentrated



on PMCs. In comparison to the burgeoning literature on military security providers, little emphasis has been given to researching those companies that provide policing-style services. This is unfortunate in some ways, as the PSC industry poses many of the same challenges in terms of accountability and regulation as its military counterpart. The problems associated with poor regulation of the sector are wide ranging and include the following:

- The introduction of PSCs weakens the state's monopoly over the use of force, a trend that is enhanced in cases where PSCs are armed;
- By introducing a market for security services, differentials in security are likely to arise between the rich and the poor. In the worst case, state security agencies may be undermined by the private security market leaving security a preserve of the wealthy;
- Unlike state security providers, PSCs are not directly accountable to the electorate and parliament, but to company boards and shareholders. This introduces new governance challenges;
- In the absence of adequate legislation and regulation, there can be no control over the type or quality of services that companies provide to their clients. Untrained staff with dubious backgrounds may be able to access weaponry and use force in an inappropriate way, threatening human rights;
- Companies empowered to use force in various ways may easily serve as fronts for organised crime, or come to fulfil a political or paramilitary function, particularly in territories emerging from armed conflict;
- In states with a history of ethnic conflict there is the added potential for PSCs to be misused against ethnic as well as political opponents;
- There is serious potential for conflicts of interest to arise because of close ties between former government officials and PSCs; and
- A poorly regulated private security sector can harbour and abet corruption, hinder rather than help law enforcement, and even grow to challenge the state and its security structures.

While the above list is hardly exhaustive, it serves to underline the considerable challenges associated with the introduction of private security and the consequent need for adequate regulation and oversight of the sector. These risks are all too real, as recent cases from some of the most advanced private security markets in the world demonstrate. In the US for example, PSC guards have been found to engage in unwarranted violence or illegal dealings on numerous occasions.¹⁶ In the UK, some companies induce rather than alleviate insecurity, while others cause confusion about the boundaries of responsibility between themselves and the police, leading to antagonism between the two sectors.¹⁷

5.1 National regulation

Regulation at the national level is key to achieving effective control of the private security market. Yet, at the present time many states have no laws governing the work of PMCs/PSCs, while others have only partial or flawed ones. A comparative study of the European regulatory environment conducted by the European Confederation of Security Services (CoESS) and the Union Network International (UNI) points to significant differences even between European countries.¹⁸ Some states, such as Denmark, Finland, France, Portugal and Spain, have strict and comprehensive controls regulating PSC services, while others, such as Germany, Austria and Italy, have only narrowly defined regulations. With the growth of the industry in recent years, there has been a move to strengthen controls in some countries. For example in the UK, licensing procedures are now published and licensing is conditional on criteria such as training; registration and insurance; the manner in which activities are

¹⁶ Zielinski M, 'Armed and Dangerous: Private Police on the March', *Covert Action Quarterly*, available at www.caq.com/CAQ54p.police.html In the US, most of the 1 million-plus guards are unlicensed, untrained and not subject to background checks. There are no federal laws governing the more than 11,000 PSCs. State laws remain spotty. Their burgeoning \$12 billion-a-year industry is marked by high turnover, low pay, few benefits and scant oversight. See: Hall M, 'Private security guards are Homeland's weak link', *USA Today*, 23 January 2003, available at www.usatoday.com/news/nation/2003-01-22-security-cover_x.htm

¹⁷ Gallagher J, 'Anti-Social Security', *New Statesman & Society*, No 8, 31 March 1995, p 21 - 22.

¹⁸ Weber T, 'Eine vergleichende Übersicht der Rechtsvorschriften für die private Sicherheitsindustrie in der Europäischen Union,' Arbeitspapier für die gemeinsame Konferenz von CoESS und UNI-Europa, Dritte Europäische Konferenz für private Sicherheitsdienste, Brüssel, 12/13 Dezember 2001. Birmingham, ECOTEC Research and Consulting Ltd. See also: Hemmer D. and Bauer W. T, 'Privatisierung und Liberalisierung öffentlicher Dienstleistungen in der EU, Teil 4: Sicherheit,' Paper OGPP, Österreichische Gesellschaft für Politikberatung und Politikentwicklung, Wien, August 2003.



to be carried out; the production and display of the license; and information that the licensee has to provide.¹⁹

While the industry itself is taking on an increasingly transnational form, all states have a responsibility to introduce legislation covering the work of private security firms, since they may at any time become the clients or home base for companies. In both guises, governments have responsibility for the conduct of companies using force in the course of their work under international humanitarian and human rights law. A combination of past experience and international best practice points to the following areas as being priorities for national regulation:

5.1.1 Licensing of companies

Licensing systems that clearly define the type of security services that PMCs/PSCs may and may not provide should be established. Legislation should clearly set out the criteria against which licence applications are to be assessed on a case-by-case basis for every new company and/or contract. These should include, *inter alia*, whether the company and its proposed activities would jeopardise public security and law and order; undermine economic development; enhance instability and human suffering; augment the threat perception in neighbouring countries; contribute to or provoke internal intervention or external aggression; violate international embargoes, etc.²⁰ Licences should be time-limited in order to ensure regular re-accreditation and high levels of professionalism, and regular monitoring of PSC activities should be carried out, with penalties including fines and revocation of licenses in the case of violation of the law. Legislation should have an extra-territorial dimension to cover the eventuality that companies may work overseas in countries with inadequate legal frameworks. Lastly, guidelines should be established that define when it is appropriate to use a PSC and when it is appropriate to use the police, to ensure that the police and PSCs are seen as complimentary institutions working towards the same end rather than as competitors.

5.1.2 Transparency and accountability

The law should lay down basic minimum requirements for the transparency and accountability of private security companies' operations, ranging from internal systems of governance (e.g. rulebooks, responsibilities of boards of governors, staff recruitment, training and conduct) to financial and contractual matters (e.g. duties of public disclosure, company structures, issues of ownership and interest).

5.1.3 Licensing of personnel

Governments should ensure that PMC/PSC owners, directors, their spouses and employees are licensed to work in the sector according to objective criteria. Background checks should be carried out prior to licenses being awarded to ensure that personnel have no criminal record, no past responsibility for human rights violations or violations of international humanitarian law and have not been dishonourably discharged from the armed forces. These licences should also be temporal with regular re-accreditation to ensure retraining and high levels of professionalism. Each company should maintain accurate records on its employees to allow for inspections by state oversight bodies.



Team Training, Sokol Maric, 2005

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5.1.4 Training and professionalism

States should establish and effectively oversee a training regime for PSC staff that gives personnel a good grounding in relevant international humanitarian law, human rights laws, first aid and gender issues. All personnel

¹⁹ The UK introduced regulations for domestic private policing services with the Private Security Industry Act of 2001. The Act established a Security Industry Authority (SIA), which specifies licensing criteria and supervises their enactment plans for door supervisors, wheel-clampers, key holders, manned guarding, private investigators and security consultant. SIA, 'Who will need a license?', at <www.the-sia.org.uk/licenses/who-will-need.asp> And SIA, 'The Private Security Industry Act,' at <www.the-sia.org.uk/legislation/the-act.asp>

²⁰ Schreier F. and Caparini M, *Privatising Security: Law, Practice and Governance of Private Military and Security Companies*, Geneva Centre for the Democratic Control of Armed Forces (DCAF), Occasional Paper No 6, Geneva, March 2005.



should be properly trained in, and committed to respect, best international standards and practices relevant to the field and in particular the UN Code of Conduct for Law Enforcement Officials and the UN Basic Principles on the Use of Force and Firearms by Law Enforcement Officials. Licensing of PSC personnel should be conditional to the successful completion of approved training. The PSC industry should look at strengthening voluntary codes of conduct and trade associations where they exist and creating them where they do not. Employers of PSCs should only employ companies that adhere to these voluntary standards.

5.1.5 Use of force and firearms

Strict and detailed guidelines in accordance with best international practice should be provided by national legislation for the use of minimal force (including of less-lethal weapon systems) and firearms by personnel working within the industry. Less/non-lethal weapons should be seen as an alternative to the use of deadly force rather than as a lesser step. Their use should be monitored on the same basis as the discharge of a firearm and regulated similarly. States should ensure that all armed security personnel carry first aid kits/field dressings. There should be regular and random inspections of PSC armouries to ensure that weapons and ammunition are stored in secure conditions and adequate accounting mechanisms are in place.

5.1.6 Procurement

Governments and other major clients should establish clear contracting policies with financial and criminal penalties for breach of contract. Contracts should be put out to tender and awarded on a competitive basis against objective criteria that require issues other than cost to be taken into account. These should include, among other things, strict adherence to national and international law on the use of force. Safeguards should be put in place to minimise the risk of contracts being awarded on the basis of political influence.

5.1.7 Oversight and enforcement

States should monitor the activities of PMCs and PSCs to ensure they are acting in line with national and international law. The exact means and operational procedures for enforcement should be clearly detailed in the relevant legislation. This should include provision for oversight above and beyond that carried out by policing agencies. It is particularly important to implement parliamentary oversight mechanisms that require companies to appear before committees on demand, in order to account for their conduct in line with contracts, and ombudsman's offices to deal with complaints.

5.1.8 Linkages to Security Sector Reform

All actors, including states and international organisations, should promote security sector reform programmes that lead to the development of accountable security forces with proper civilian oversight and control so as to reduce the need for the use of private military and security companies. Regulation of the private security sector should also be included in SSR programmes in the region, as there is little evidence that this largely armed group of security professionals has been included in assessments or programmes to date.

5.2 International and regional regulation

Given that the private security industry is increasingly transnational in nature, national legislation on its own is not sufficient to ensure effective regulation. The best hope for effective regulation of the industry lies in the creation of mutually reinforcing regulatory frameworks at the national, regional and international levels. At present, however, it is not clear exactly which international laws apply to the industry, partly because the legal status of PMCs/PSCs is unclear under existing international treaties. For example, personnel employed by such firms do not fall under the 1989 'International Convention against the Recruitment, Use, Financing, and Training of Mercenaries'. Those efforts that are underway to remedy the situation should continue. In addition, governments should work towards the agreement of instruments with regional application, as a bridge between the national and international levels. In the European area, this means pursuing discussions within EU, NATO and OSCE on common standards for the industry. Any such agreement could inform future global standards.



Albania

1 Background to the privatization of security

Following the end of the Second World War and the establishment of the totalitarian regime headed by Enver Hoxha, Albania became isolated, with virtually no contact outside its borders. Today it remains one of the poorest countries in Europe, with GDP per head of only a little over \$1,000.¹ Since 1990 the economy has struggled to recover from the distortions of the communist regime, the impact of the move to a market economy and the 1997 crisis. Law and order cannot be guaranteed in some parts of the country, and organised crime and corruption are endemic.



Some of these problems have their roots in 1997, when an uncertain political and economic transition was derailed during a period of economic and political crisis. This resulted in members of the public comprehensively looting the vast military stockpiles that state security forces had established for defensive purposes.² The international community responded by deploying a number of missions to the country, including an Italian-led Multinational Protection Force to help create a secure environment for the provision of international aid, an Organisation for Security and Co-operation in Europe (OSCE) mission to coordinate international efforts, a European Community Monitor Mission, (now European Union Monitor Mission - EUMM), and a Multinational Advisory Police Element (MAPE) established by the Western European Union (WEU) to help restore a viable police force - since replaced by the Police Assistance Mission of the EC to Albania (PAMECA). Albania aspires to NATO and EU membership and has a Stabilisation and Association Agreement with the EU, and a NATO cell in Tirana to coordinate Partnership for Peace assistance. Slow but steady progress is being made towards fulfilling the requirements for EU accession and NATO membership despite the obvious challenges.

The first companies to work in the Albanian private security sector began operating in 1993 following the adoption of the first law that regulated their activities.³ The first licence was issued on 26 June 1993 to 'Ro-Gat Security', a company hired initially to provide static security services.⁴ Across the sector this field of activity has expanded rapidly, accompanying the expansion of the economy. Although static security remains the mainstay of the sector in Albania, further liberalisation of the economy from 1993 onwards has increasingly led to PSCs offering security services to private banks, international business, international institutions, construction sites, private media etc, as well as close protection of persons.



Close Protection Team Training,
Alsig SH.p.k, 2005

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At the moment, according to Ministry of Public Order (MoPo) figures, there are 269 PSCs in Albania, which in 2004 employed 4,093 security guards.⁵ There is a cap on the numbers that any one security company can employ as they may not exceed more than five per cent of the number of police in the same district. This means there are considerable variations in the size of companies ranging from two or three staff up to 200 in the largest urban centres.⁶ This, combined with a prohibition on international firms entering the Albanian market,

¹ See 'Albania at a Glance', (World Bank 2004), http://www.worldbank.org/data/countrydata/aag/alb_aag.pdf; also 'Country Profile of Albania', Foreign and Commonwealth Office website, <http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPageanddc=Pageandcid=1007029394365anda=KCountryProfileandaid=1018696633488>, accessed 28 July 2005.

² Bonn International Center for Conversion, *Conversion Survey 2002*, (NOMOS Verlagsgesellschaft Baden-Baden: 2002), p 130.

³ Before 2001 the work of PSCs was regulated by the Law No 7696, dated 07 April 1993, 'On the Service of Civil Guards' and Law No 7985, dated 13 September 1995, 'On some Supplements and Changes in Law No 7696', dated 07 April 1993, 'On the Service of Civil Guards'. This legislation was abrogated after the approval of the new legislation in 2001.

⁴ Interview with Begator Mane, Administrator, 'Ro-Gat Security' PSC, 17 January 2005.

⁵ Speech by the General Director of State Police, Leader Bajram Ibraj, to PSC convention, on 06 November, 2004.

⁶ Law No 8770, dated 19 April 2001, 'On the Guarding and Physical Security Service', Article 11, Paragraph 2 (*State Gazette No 23*, May 2001).



has probably restricted the development of larger companies, which has been the norm elsewhere in the region.⁷ The largest density of PSC activity and therefore companies (approximately 120) is in Tirana, the capital and the largest city in Albania, where most state institutions, international organisations and businesses are located.⁸ The best-known companies are Albapol, Albguardia, Alsig, Oktapus, Ro-Gat Security and Vili.

2 Contemporary security threats

Insecurity and crime are serious problems in Albania. The main reasons are the relatively high levels of poverty, unemployment, corruption and the problems inherent in building an efficient rule of law. The situation was aggravated as a result of the chaotic events of 1997, one legacy being the widespread availability of small arms and light weapons (SALW) in the country.⁹ There have been many instances of robbery of businesses at gunpoint and of kidnapping of businessmen for ransom. Some cases of kidnapping have had a tragic end with the killing of the victim. In some parts of Albania, blood feuds remain a very important issue although their incidence appears to be diminishing gradually. There are also instances of policemen involving themselves in problems that add to insecurity, especially the illegal trafficking of drugs and human beings.¹⁰ These are the circumstances in which confidence in the ability of the state to provide security is undermined, resulting in a significant increase in the use of private security providers. This phenomenon not only involves the hiring of security guards by businesses or individuals but also in individuals choosing to arm themselves and therefore take personal responsibility for their security.

Most crimes in Albania are directed against property. According to one estimate, in 2003, 34 per cent of all crimes were burglaries and other damage to property; this equates to an average of five reported thefts a day in Albania during 2003. Similarly, in 2004, 33 per cent of recorded crimes were directed at property.¹¹ Although the figures in Table 1 point to rising crime levels, in reality these statistics reflect under-reporting in the past, and the rise in reported crime may actually be a sign of increased state efficiency. However, it is difficult to read any broad trends into the figures as the data remains questionable.¹²

Table 1: Crime Statistics 2002 – 2004

	2002	2003	2004
Recorded crime	4,975	5,668	7,537
Crimes against people	1,586	1,698	1,910
Crimes against property	1,322	1,677	2,529

Source: Website of Ministry of Public Order www.mpo.gov.al.

⁷ The law demands that technical directors and employees of PSCs be Albanian citizens and have their permanent residence in Albania. Law No 8770, dated 19 April 2001, 'On the Guarding and Physical Security Service', Article 2, Paragraph 2. (State Gazette No 23, May 2001).

⁸ Interview with Commissar-in-Chief Ilirian Zaimi, Director of the Sector for Community Policing and the Collections of Arms in the General Directorate of State Poliande, 18 January 2005; and Papa A et al, *Directory of Members*, (Chamber of Commerce and Industry of Tirana, 2004).

⁹ The Albanian Government estimates that a total of approximately 550,000 SALW and 840 million rounds of ammunition were removed from government control in 1997. Interview with Ministry of Defence officials, 14 April 2005 and MoPo official statistics for weapons collection, July 2005. Given the initial confusion surrounding the looting of these weapons, and the difficulty of conducting a full inventory at the time, initial estimates were much higher, in the order of 600,000, UNDP Albania SALW project website, <http://www.undp.org.al/salwc/?background>. According to official estimates, of these weapons, approximately 200,000 remain in the hands of civilians; 220,000 have been accounted for during the various weapons collection programmes. The exact number of weapons that left Albania in this period is not known, though the number is assumed to be large because of the demand created by the conflicts in Kosovo and Macedonia.

¹⁰ See *Dying to Leave, Handbook: The Business of Human Trafficking*, (PBS, 2003), available on <http://www.pbs.org/wnet/wideangle/shows/dying/handbook2.html>.

¹¹ Alimadhi A, Sigal-Alsig, 'Sigurimi i biznesit me 10 mije leke ne muaj', *Biznesi*, 23 July 2004, p 6.

¹² The Albanian Ministry of Public Order is continually trying to improve its data collection techniques, e.g. by holding a roundtable in October 2003 that focussed on reform of registered crime statistics. Albanian statistical records are generally not very reliable and are not independently verified. Under-reporting is a large problem and since 1992 there has been pressure to improve crime statistics year on year, leading to a situation where in many cases only crimes that were solved were reported. Interview with Sotirag Hroni, Institute for Democracy and Mediation, 09 February 2005.

3 Services provided by PSCs

The main forms of protection provided by PSCs are static security, close protection, rapid response and the secure transit of cash and valuables. As the economy and financial systems have been liberalised, PSCs have been contracted to provide security services at private banks, international businesses, international institutions, independent media companies etc, as well as close protection services for individuals. Another sign of economic growth is the appearance of many construction sites, especially in Tirana, which are guarded by PSCs. The rising number of banks, together with their branches in various districts, also contributes to the demand for not only static security guards, but also alarm devices and the vehicles and expertise to transport money and valuable goods.

The largest firms offer all forms of protection, whilst the smaller ones tend to specialise. In general, PSCs are employed by businesses, international organisations, embassies, hotels, banks, construction companies and state institutions. For example, security guards from Ro-Gat Security, a company operating throughout the country, are employed by the UNDP, UNHCR, UNICEF, USAID, National Bank of Greece, United Bank of Albania, Raiffeisen Bank, World Bank, Swiss Embassy, General Directory of State Revenues, Albanian Public Radio and Television.¹³ At the moment the Albanian Electro-energy Corporation, the state agency responsible for the production and distribution of electricity, is considering employing PSCs to collect unpaid electricity bills for the time period 2001 - 2003.¹⁴



Advertisement for West Force, Albania, 2005

Given the range of security services offered by PSCs, licences are issued by MoPo according to different categories: Category A covers those companies that provide security to private and public buildings; Category B to those companies that provide physical security to people; and Category C to those companies that protect cash and valuable goods. PSCs within Category A operate only in the district where they are licensed, whereas PSCs licensed according to categories A+B, B and C are authorised to operate throughout the country.¹⁵

Rather than issuing a contract to a PSC, it is still common practice for middle-sized companies and organisations to employ individuals as security guards on the company payroll. This practice is not recognised in the relevant laws and is therefore illegal. Generally, individuals do not feel the need to contract PSCs for personal protection. As a rule, if a person perceives a threat against his life or property he asks for temporary protection from the state police. The state police usually provide protection to politicians. In a new development in 2004 there was an agreement between an insurance company, 'Sigal', and a PSC, 'Alsig', to offer a package deal that included both insurance from theft, and guarding services.

¹³ Interviews with Pashk Tusha, Expert of State Police, Former Director of State Police in Durres, 17 January 2005; Arben Caka, Director, State Police Commissariat for Security of the Object of Most Importance, 26 January 2005; op cit Mane and Zaimi.

¹⁴ Panorama daily newspaper, 24 January 2005.

¹⁵ Law No 8770, dated 19 April 2001, 'On the Guarding and Physical Security Service', Articles 4 and 5. (State Gazette No 23, May 2001).



4 Affiliations between PSCs and other sectors

4.1 Security sector affiliations

The current legislation on PSCs prohibits police from also working as security guards.¹⁶ In addition to the military background of some PSC staff, the technical director is required by law to have between five and ten years of police or military experience. Therefore even if there are no formal links, informal connections and communication between the police and PSCs may take place. It is also common for PSC staff to have worked in the state police. On the whole the police do not regard control of PSCs as a great priority, since the police consider themselves to be understaffed and perceive other demands on their time and resources as being of a higher priority.¹⁷

A permanent working agreement between the state police and PSCs does not exist, but they do cooperate on a case-by-case basis. For example, PSCs helped the state police to guard the polling centres in some districts during the parliamentary elections in 1997 when the state police, as well as other state structures, were recovering from the disastrous effects of the financial crisis. PSCs operating in the districts of Tirana and Lezha have also been involved in the voluntary collection of SALW from the civilian population. This latter cooperation was highly praised in a speech by the General Director of state police in his meeting with PSCs on 06 December 2004 when he said that PSCs had 'created new spaces in the prevention of criminal activity and in the securing of public order'.¹⁸

4.2 Political affiliations

Some interviewees consulted for this research allege that in the first years after the law on PSCs was approved (1993) licences to run security companies were only granted to supporters of the Democratic Party, which was then in power.¹⁹ The first law on PSCs was abrogated and replaced by the new one approved in 2001 mainly because the new law introduced the stipulation that PSCs must have a Technical Director with a strong police background. This was considered to be an important step towards raising the level of professionalism of PSCs and limiting political influences upon them.

One acute problem mentioned by the administrators of PSCs during the research for this report is the practice of public procurement by government agencies for the security of public buildings and sites, (aside from those considered of greatest importance and secured by the state police). Favours the company that offers the lowest bid is not necessarily the best option because it potentially undermines the quality of services PSCs provide and does not offer incentives for further investments in these companies. Many PSC directors agree that the tendering process needs to be reformed and the government should set clear standards and requirements that PSCs need to fulfil in order to be considered for contracts for securing major public sites and buildings, such as ports, airports and public corporations.²⁰

4.3 Organised crime affiliations

No evidence was found of direct links between organised crime and the PSC sector during this research. However, given that organised criminality, including racketeering, is a significant problem in Albania, and in view of the problematic links identified during this research in neighbouring countries, further research is probably warranted in this area.

¹⁶ Ibid.

¹⁷ Op cit Hroni.

¹⁸ Speech by the General Director of State Police, 06 November 2004.

¹⁹ Op cit Hroni.

²⁰ Interviews with Astrit Miho, Albguardia PSC, 18 January 2005; Vasil Kacorri, Technical Director, Rea PSC, 16 January 2005; op cit Mane.



5 Regulation and conduct

5.1 Legal basis for control of PSCs

The main laws regulating the work of the security industry are:

- Law No 8770, (19 April 2001) 'On the Guarding and Physical Security Service'; and
- A supplement to the Law, (passed in September 2002), Law No 8936, 'On a supplement to Law No 8770', State Gazette (23 May 2001).

Prior to 2001 the work of PSCs was regulated by:

- Law No 7696 (07 April 1993), 'On the Service of Civil Guards'; and
- Law No 7985 (13 September 1995), 'On some Supplements and Changes in Law No 7696' (07 April 1993).

Both PSCs and their personnel are required to register with the state police in the MoPo. Article 7 specifies that the PSC must be registered with the General Directorate of State Police. Article 14, Paragraph 2 specifies that the technical director of PSC must be registered with the General Directorate of Police. Article 15, Paragraph 2 specifies that the employees of PSC be registered with the Directorate of Police in the District where the PSC operates. Both the technical director (Article 14, Paragraph 1c) and employees (Article 15, Paragraph 1c) of PSCs are required not to have a criminal record. Police officers who have been dismissed from the police for corruption or for breaking the police oath may not receive a licence. This is not specified in the law but is in line with police procedures.

All PSCs operating in Albania are nationally owned. The law demands that Technical Directors and employees of PSCs be Albanian citizens and have their permanent residence in Albania.²¹ International PSCs can enter into the Albanian market through cooperation with Albanian PSCs or Albanian individuals; Article 2, Paragraph 1 states that: '*The service of guarding and physical security is done through private subjects organized in commerce companies by Albanian citizens or in collaboration with foreign citizens*'. Currently there are no joint ventures involving foreign PSCs and individuals. In general it appears that the laws concerning PSCs are enforced, both by PSCs and the institutions of the State Police. The few instances of not obeying the law consist of employees serving without uniform and, more rarely, without the personal license. Cases like this were discovered by police controls and the respective PSCs were fined. Fines for breaking laws range from €800 to €1800. Additionally a Technical Director can receive a personal fine of between €150 and €400.

5.2 Use of force and firearms

The majority of security guards are not armed with firearms. More commonly a guard carries a rubber baton and a radio for communication with the operations room or Technical Director. Firearms are typically only issued to rapid response squads, guards that patrol in banks or guards on close protection duty. The weapons most commonly used by security guards are Kalashnikov assault rifles and TT pistols. Article 9 of the law states that: '*The Technical Director and the serving employee are provided with weapons, ammunition and special tools for performing the service of guarding and physical security. The type and amount of weapons, of ammunition and special tools are determined by the order of the Minister of Public Order*'.²² Although Technical Directors and bodyguards can carry concealed weapons, and commonly do so, they are not allowed to buy their own firearms. The police supply and register all firearms that PSCs carry. In the case of paralytic weapons (e.g. sprays), a PSC has to gain special permission from the police for their use, purchase the weapon and then report the purchase to the police. Weapons are registered both to the employer and to the individual guard(s) who use them. Guards are not permitted to use their own weapons for work.

²¹ Law No 8770, dated 19 April 2001, 'On the Guarding and Physical Security Service', Article 2, Paragraph 2.

²² Ibid, Paragraph 3.



The law on PSCs does not cover storage methods, but PSCs must observe the same general laws and norms that regulate the use and storage of SALW held by the state police and military forces. Some of the regulations and norms are specified in a manual prepared for PSCs by the State Police, which states that 'weapons are secured in armouries and safes'. The general practice is for weapons and ammunition to be stored together on the company premises and a register to be kept. Some companies also have internal regulations on storage, and the larger companies are generally thought to maintain good storage standards. In practice however, since most companies do not have many registered weapons (for example, Ro-GAT has 100 guards but only 6 registered weapons), it is apparently commonplace for weapons to be handed over to the next guard at the end of a shift without going into storage. In some cases guards also take weapons, especially pistols, home. This is particularly true for some of the smaller PSCs that have no headquarters as such, but work primarily through radio communication.²³ This is also a matter of some concern as it means that the weapons issued to guards are not under the control of the company at all times.

Several administrators and technical directors of PSCs interviewed during this research expressed an opinion that the weapons currently in use by PSCs are not suitable for security work. They advocated the replacement of Kalashnikov assault rifles with weapons that are less cumbersome to carry and of a lower calibre.

PSC staff are instructed in the industry manual provided for them by the MoPo to use force to the minimal extent possible.²⁴ The guidance given with respect to the use of firearms is that they may be used in 'extreme cases' for the protection of the guard's life, other lives, or to prevent the destruction of property and goods they guard. However, according to PSC staff interviewed for this research, the legislation governing PSCs would benefit from further clarification and elaboration on the use and handling of firearms.²⁵

In recent years however there have been no reported cases in the media where PSC employees have abused human rights, with the exception of cases wherein they have committed major crimes when off duty; for example on 23 January 2005 a PSC employee living in Shkoza, 6 km away from Tirana was involved in a fight over rights to a property and shot two people, killing one and wounding the other.²⁶ However, an absence of media reports does not mean that human rights abuses have not been committed by PSC staff. On the whole, the media in Albania is only interested in high profile cases. Human rights NGOs consulted for this research did not have any reports pertaining specifically to excessive use of force or firearms by PSCs on record.²⁷ It appears, however, that in addition to the formal PSC market there is a parallel practice in which smaller private companies who cannot afford or do not want to pay for a PSC, hire individuals who possess their own weapon to provide security cover. This is a matter of concern as these individuals are working outside the normal regulatory framework. The use of personal weapons, possibly illegal ones, in such cases is also highly problematic.²⁸ Unfortunately during this research no further information was available on the extent or impact of such practices.

5.3 Professionalism and training

In general, professionalism among PSC staff is not high, except for those employees who have had police or military training, such as Technical Directors or those employed in rapid response units. Many are pensioners (as the law permits their employment to the age of 65) and they are not motivated to pursue a career in the PSC sector. A large proportion of PSC staff have other regular jobs and are employed in PSCs on a part-time basis in order to boost their income. Junior staff do not have secure jobs, nor are there any trade unions to protect their interests. They are dependent on the Technical Directors for their training and supporting their licence application at the MoPo.

²³ Op cit Mane; Kacorri; Miho.

²⁴ 'The guard uses the minimum of necessary force. This means that force is exerted immediately upon the appearance of circumstances that make its use necessary and the exertion of force stops immediately with the disappearance of those circumstances. The scale and intensity of the force depends on the resistance and means of the adversary'. Tusha P and Softa F, *Shoqëritë e ruajtjes*, (Europa, Tirana: 1997), p 53.

²⁵ Op cit Mane; Kacorri; Miho.

²⁶ Topollaj D and Karaj V, 'Si me qelluan per nje cope toke', Panorama, 24 January 2005.

²⁷ Interviews with Professor Dr Valentina Hysi, Albanian Helsinki Committee, 27 January 2005; Edmond Prifti, Albanian Human Rights Group, 21 January 2005.

²⁸ Op cit Hroni.



Albanian legislation requires that, prior to receiving a licence to work at a PSC, junior staff must be trained by the Technical Director of a PSC for a period of 15 days, after which they must pass a test organised by the State Police. After the licence has been issued, guards must undergo an annual five-day training programme (determined each year by the State Police). The training covers legislation and regulations, PSC responsibilities and duties under the law, the use of weapons, the use of telecommunication equipment, basic first aid and how to extinguish a fire. It was not possible to ascertain the depth and quality of training on any of these topics during this research. Technical Directors themselves are required to have qualified at military or police academies.²⁹

As the training is administered by the PSCs themselves, quality varies, and there is no guarantee that the employees actually undergo the required training each year. While police have the right to inspect the training, they do not administer it and the level of monitoring carried out by the police varies from district to district.³⁰ PSC Technical Directors and administrators interviewed for this research identified improved training as a priority for the industry. Most were of the opinion that the MoPo should establish certified courses for the PSC employees so as to harmonise and raise standards.

A trade association for PSCs has recently been formed, but has yet to function properly or develop binding regulations for its members. One PSC director referred to the association as a 'self proclaimed' association that serves only private interests. Nevertheless, if the industry wishes to promote greater professionalism, the association should be encouraged and expanded.

5.4 Oversight

A three-person commission within the General Directory of State Police is responsible for licensing PSCs. The work of PSCs is monitored by the Sector for Community Policing and the Collections of Arms in the General Directorate of State Police and its specialists in the various directorates of state police in the districts. This commission and its specialists in the District Police Directorates carry out periodic inspections of PSCs, their documentation, and the employees during service and training sessions. The Technical Director of a PSC must submit a written report to this office every three months on the activity of the company.³¹ Company licences are reviewed annually by the police and if there have been irregularities, the licence is apparently not renewed. At the time of publication, no official figures were available to indicate whether this happens or how often. In 2004 the Director General of Police mentioned two instances when employees of PSCs had used their weapons unlawfully and 57 instances of fines being given to administrators, technical directors and employees.³² The most frequent reasons for disciplining of PSCs in 2004 were: irregularities in documentation; employing unlicensed staff; personnel working without uniforms or company badges; and employees wearing uniforms while off-duty.³³ Aside from oversight by the police directorate, there do not appear to be other provisions for oversight of PSCs in Albania, such as the use of an Ombudsman's office or parliamentary committees.

6 Conclusion and recommendations

Although there are no statistics that can prove the correlation between the reduction in crime levels and the operation of PSCs in Albania, local analysts believe it is likely that they have made some contribution towards crime prevention.³⁴ For example the installation of security cameras and the presence of private security guards in banks has a discouraging effect on crime, and many public institutions, such as museums, now contract PSCs in the belief that this will give them added protection.

²⁹ Law No 8770 dated 19 April 2001, 'On the Guarding and Physical Security Service', Article 16.

Op cit Tusha P and Softa F.

³⁰ Op cit Mane; Kacorri; Miho.

³¹ Article 17 of Law No 8770 dated 19 April 2001.

³² Speech by the Director General of State Police, 06 November 2004.

³³ Op cit Zaimi.

³⁴ Op cit Hroni; Tusha; Caka. The crime prevention impact of PSC was also mentioned by State Police officials interviewed and in the speech of Director General of State Police in the meeting with administrators of PSCs on 06 December 2004.



With the expansion of the Albanian economy, it is expected that the number of PSCs will grow. Many established PSCs have predicted the need for stricter regulations as the private security market becomes increasingly crowded. For example, it has been suggested that all companies be required to have an operation room or base equipped with communication devices. At present many PSCs lack this technology. The administrators of the largest and most established PSCs have a confident outlook about the future of the sector and speak of investing in their businesses, both by bringing the latest equipment into Albania and by training their staff. Another rapidly expanding sector is the sale of protection equipment. Some PSCs have argued that the law should be amended to allow them to purchase non-lethal weapons, such as nerve-paralytic gas sprays. This is a matter that should be addressed with some care - if these and other weapons such as electric stun guns are issued they should be used only as an alternative to the use of firearms and not a lesser weapon that could be used more indiscriminately. However, a potential barrier to the long-term development and consolidation of the industry and the increase in technical and professional knowledge is the cap on the size of companies relative to the number of police in a district. While the purpose of the law is laudable – protecting the relative power of the public security sector in the face of a growing private one – an unintended consequence may be that that consolidation does not occur because companies cannot afford to bring in improvements while their size is restricted. As suggested below, alternative methods should therefore be sought to both contain the sector's growth relative to the public sector and raise standards simultaneously.



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6.1 Main recommendations

- Law enforcement agencies should pay increased attention to the practice of hiring armed individuals rather than licensed PSCs to secure property and fully enforce the law in this area.
- Further clarification and elaboration is needed on the law governing handling and usage of firearms by PSCs in order to close loopholes and limit their possession and use.
- The use of assault rifles (Kalashnikovs) by security guards should be phased out.
- PSC storage practices should be reviewed with a view to ensuring that registered SALW remain in company stores when not in use and that handovers between staff are correctly documented.
- The laws on storage of SALW and ammunition by PSCs should be amended, and a requirement for the two to be stored separately introduced.
- The MoPo should develop a system of certified training courses for PSC employees, which would encourage the development of a well-trained security guard profession. Particular attention should be given to training guards in the minimal use of force and firearms, consistent with the UN Basic Principles on the Use of Force and Firearms by Law Enforcement Officials.
- Joint working agreements between PSCs and the police should be introduced as standard, so as to clarify the exact roles and responsibilities of both parties and thereby reduce the incentives for the two sectors to enter into competition.
- The PSC industry should consider strengthening the professional trade association to ensure that it is fully functioning and work towards developing an industry-wide code of conduct.
- In order to raise standards and combat corruption in procurement, the government should establish a set of standards and requirements for PSCs that wish to be considered for contracts for securing major public sites and buildings.
- The government should review the cap on the size of PSCs since it currently acts as a barrier to professionalisation of the industry. Other options such as imposing limits on the overall size of the industry, or providing exemptions to proven firms on the basis of objective criteria could be considered.
- Oversight should be improved by empowering parliamentary committees and an Ombudsman to scrutinise the conduct of PSCs and handle public complaints.

Bosnia and Herzegovina

1 Background to the privatization of security

Bosnia and Herzegovina (BiH) suffered more damage and loss of life during the conflicts of the early 1990s than any other successor state of the former Socialist Federal Republic of Yugoslavia (SFRY).¹ Following the 1995 Dayton Agreement, international peacekeeping forces - first under NATO auspices and then from December 2004 as the European Union Stabilisation Force (EUFOR) - have enhanced security to a great degree. By 2004 the United Nations announced that half of the estimated two million people displaced from their homes had returned to their communities, three quarters of them to the Federation of Bosnia Herzegovina (FBiH) and one quarter to the Republika Srpska (RS).



Yet although security continues to improve, in many areas ethnic divisions continue to frustrate a proper rehabilitation process. The reality is that ten years after the end of a war that displaced half the population, BiH is still struggling to overcome strong political and ethnic tensions. One burdensome legacy of the 1995 peace settlement is a complex constitutional structure in which BiH is divided into two semi-autonomous entities comprising the Federation of Bosnia and Herzegovina (in turn consisting of ten cantons), and the Republika Srpska, a single administrative unit. Political, bureaucratic and often ethnic differences make the operation of this structure difficult at times, creating significant challenges for eventual integration into the EU and NATO. At least until very recently, major reforms in the defence, rule of law and public administration sectors which are of pressing importance for national development and peace-building, have tended to be driven by the Office of the High Representative, the international office with unprecedented executive powers charged with overseeing implementation of the civilian aspects of the Dayton Peace Agreement. A bureaucratic regulatory framework and parallel Entity structures also contribute to the country's economic problems, with 20% of the population living below the poverty line, and domestic and international investment remaining low.²

PSCs first emerged in Bosnia in 1995, immediately after the wars. The first company known to have operated in the country was a Croat-owned firm 'Soko', that started up in 1995. The first PSC of Bosnian origin was BLOC, which began operating in 1996.³ It is perhaps unsurprising that today the industry's structure reflects the legal structure and workings of the country as a whole, the industry being regulated not at the national, but only at Entity and Cantonal levels. This system makes it highly impractical for a firm to obtain the multiple registrations necessary to operate legally across Entities. In the case of the Federation of Bosnia and Herzegovina (FBiH), where administration is further devolved to Cantonal level for implementation, it is also difficult to work across Cantons. According to current records only one firm in FBiH, 'Alarm West', has a cross-Cantonal spread of work.

Despite the difficult regulatory environment, the market has expanded considerably in the past ten years with a growing number of PSCs becoming registered in the country. According to official figures there are currently 41 companies operating across BiH employing around 2,000 people.⁴ The biggest names in the industry are GAMA, BIGA, Alarm West, IPON, Sword, Laufer, Cipos 007 and Sector Security. Unlike many other countries in the region where PSCs predominantly operate in major business centres, there is considerable diversity in the location where companies work. Decentralised government and ethnic segregation are major factors in determining this geographical spread of activity. The list below shows the locations where the major firms in BiH operate.

¹ Estimates of the total number of casualties range from around 150,000 to 250,000. See e.g. BBC News Online BiH Country Profile, http://news.bbc.co.uk/1/hi/world/europe/country_profiles/1066886.stm accessed 05 May 2005.

² Country profile, Bosnia and Herzegovina, Foreign and Commonwealth Office, <http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPageandc=Pageandcid=1007029394365anda=KCountryProfileandaaid=1019233782245>, accessed 28 July 2005.

³ Interview with Muamer Bajraktarević, Cantonal Ministry of Internal Affairs, Sarajevo, 04 April 2005.

⁴ Information given by the Cantonal Ministries of Internal Affairs in FBiH and the Ministry of Internal Affairs in RS; Interview with Duško Vejnović, Professor, Advanced School for Internal Affairs in Banja Luka, 29 January 2005; op cit Bajraktarević.



- Sarajevo: Alarm-West, Gama Sigurnost, Cipos 07, BIGA Security, Glock Sigurnost;
- Banja Luka: Sector Security;
- Bihac: Bodyguard Filekovic;
- Tuzla: Puma, Cobra Security;
- Mostar: Buntić Sekurity, Alarm West, IPON Graupa; and
- Siroki Brijeg: Kamir, Delta, Redarstvenik.⁵

As discussed further below, the lack of national regulation within BiH poses major problems for the control and development of the industry. This is not simply due to the quite different regulations that apply between FBiH and RS. There are also serious questions about the extent to which companies are linked to either organised crime groups or ex-warlords from the war period with related issues surrounding the enforcement of regulations.

2 Contemporary security threats

The increasing demand for private security services in BiH has its root in rising crime rates across the country at a time when faith in the state security services is low, and the public feels generally insecure in a post-war context. The slow but constant liberalisation of the once socialist economy that has occurred in all ex-Yugoslav republics has also brought ever greater amounts of property into private ownership, creating the necessary conditions for a demand for PSCs. Theft and armed robbery are the threats that most commonly persuade clients to employ PSCs in BiH. Thus far there has not been a major market for close protection services.⁶

In 2004 there were 28 armed robberies of post offices, banks and money transport vehicles across the entire country, and approximately five million convertible BiH marks (KM) in cash was stolen. Police clear-up rates are low in both Entities. Of the 13 armed robberies in RS, only four cases were solved, while in FBiH, only six of 15 cases were solved.⁷ Although commercial clients are the main employers for PSCs, fear of theft also causes some private citizens to employ PSCs to provide static security for their apartments out of fear of break-in. Additional motives for using private security companies include a lack of faith in the state security sector's ability to protect property, a fear of losing property that was illegally gained, and to collect unpaid debts.⁸

The range of threats above was generally considered to be serious by most interviewees consulted for this research. Official statistics provided by the FBiH authorities indicate that the rate of violent crime there is lower than the European average, but rising (see table below).⁹ However, there seems to be little difference in the crime rate in those areas where security companies are operating and those where they are not present. This correlation could be explained in a number of ways. Firstly, it may be that PSCs are not doing a good job. Secondly (and more probably), it is possible that private security companies are more likely to operate in areas experiencing high crime and that they are actually having a positive impact.¹⁰ Third, it may be that the use of PSCs is an effective deterrent only at those sites where they are in use, but that this is having a displacement effect on crime within cantons, making it more likely that neighbouring sites are targeted by criminals with the same net result in terms of recorded crimes. It is difficult to come to any firm conclusions on this question since the validity of these figures is undermined both by the fact that court statistics are widely believed to underestimate the level of crime, and the fact that the general public tend to report crimes reluctantly.¹¹

⁵ Interviews with Mirsad Jašarević, Executive Director of Sicra Security, Sarajevo, 13 January 2005; Marinko Buntić, Owner of Puma-Buntić Security, 26 January 2005; Lazar Stupar, Head of the Police Department in RS, 01 February 2005.

⁶ Op cit Jašarević.

⁷ Karić S and Muminović D, 'Thieves took more than 5 Million KM', *The Independent* newspaper, 16 January 2005, pp 12 - 13.

⁸ Interview with Mirsad Abazović, Professor, Faculty of Criminal Sciences, Sarajevo, Security Department, 31 January 2005.

⁹ Official information from Cantonal Ministries of Internal Affairs.

¹⁰ Data does not include Una-Sana, Mostar and West Herzegovina Canton.

¹¹ Op cit Abazovic; Vejnovic.



Table 1: Number of reported criminal incidents in FBiH.

CRIMINAL ACTS	2002	2003	2004
Theft	1,057	2,010	2,139
Serious Theft	7,696	8,234	11,138
Robbery	241	364	577
Frauds	163	219	240
Violent Behaviour	180	192	219

Source: Official information from the Ministry of Internal Affairs of the FBiH.¹²

An increase in the availability of firearms in BiH is one of the main reasons that the armed robbery rate is on the increase. All evidence points towards the continued widespread presence of substantial numbers of firearms throughout BiH. While pre-war statistics on registered firearms indicated that there was almost one firearm for every ten members of the public, the figure is now higher.¹³ It is impossible to accurately estimate the quantity of firearms and military equipment that entered BiH during the war, but the figure is believed to be high. As routine seizures by the security forces demonstrate, many of these firearms have remained in the country after the end of the conflict.¹⁴

3 Services provided by Private Security Companies

The range of services that a private security company can provide is outlined in the respective laws on PSCs of the two entities in Bosnia.¹⁵ Both laws stipulate what forms of 'physical protection' can be provided to people and property, and what forms of 'technical protection' can be provided in the form of static security systems such as burglar alarms and surveillance equipment. The laws do not allow for street patrols by PSCs.¹⁶ PSCs are mainly employed to protect locations such as apartments, businesses and premises. It is quite rare for private citizens to employ PSCs for personal security and according to research conducted for this report only around five per cent of households employ PSCs for protection.¹⁷ The vast bulk of the industry is therefore directed at commercial or official premises, key employers being the banking sector, the manufacturing industry, the retail sector, international NGOs, local embassies and the entertainment industry.¹⁸ Embassies and the international agencies operating in Bosnia comprise the key international customers of private security companies. Embassies and international organizations known to employ private security companies include the embassies of Germany, Saudi Arabia, Norway, Poland, Greece, the Netherlands, the United Kingdom, the British Council, Hope International, SOROS and CRA. The Office of the High Representative, however, chooses to directly employ its own security staff.¹⁹

¹² Data from the RS was only provided for 2003.

¹³ In 1989 there were 342,131 firearms registered in BiH. In 2003 there were 345,365. *Small Arms and Light Weapons Survey Bosnia and Herzegovina*, Bonn International Centre for Conversion (BICC), July 2004, p 19 - 21.

¹⁴ A senior representative of the FBiH Ministry of Interior stated that the number of illegal firearms in FBiH is likely to be three times that of legal firearms. Op cit BICC, p 23. Seizure patterns indicate a similar spread of ownership across the whole of BiH.

¹⁵ 'Law on Agencies for Protection of People and Property and Private Detective Work', Article 4, *Official Gazette in Republic of Srpska* No 50/2002; and The 'Law on Agencies of Protection of People and Property' Article 4, *Official Gazette in FBiH*, Year IX, No 50, 14 October 2002.

¹⁶ 'Law on agencies for protection of people and property in the FBiH'; 'Law on agencies for protection of people and property and private detective work in the RS'.

¹⁷ Interview with Mustafa Galijatovic, General Director of Gama and Security, 06 February 2005; op cit Buntić.

¹⁸ Interviews with Dragan Talić, Executive Director for the Security Sector, Banja Luka, 25 January 2005; Valdin Jazičić, Person in Charge of Alarm West Security, 10 February 2005; op cit Buntić; Jasarevic.

¹⁹ Interview with Admir Nezirović, former person in charge of Sword Security, 14 January 2005; op cit Buntić.;



Although employment of PSCs by international agencies and foreign embassies is significant, the vast bulk of the private security industry is employed by the commercial sector, and the financial sector in particular. Financial institutions employing PSCs include Central Profit Banka, CBS Bank, Universal Bank, Prokredit Bank, Nova Banka and Investicijska Banka FBiH. Other companies that also employ PSCs include ABD engineering, Alfa computers, ASA, Bata, Benetton, Coca-Cola HBC BH and Don cafe as well as shopping centres (VF, Merkator, Robot, Vistafon, Sam Shop). Private security agencies are also employed to provide security at sporting and cultural events in BiH, and cafés, bars nightclubs.²⁰ Because of the industry's client base, PSCs are primarily active in the larger towns and the urban areas of the country.

4 Affiliations between PSCs and other sectors

4.1 Security sector affiliations

The majority of PSC staff working in BiH are either former members of the military or police services, and to this extent, links obviously exist between the two sectors.²¹ Working agreements of an informal nature have been reached in the past between PSCs and the police in cases where the police service has agreed to accompany valuable goods and money shipments on a contractual basis for the needs of legal persons and banks,²² (e.g. Zagrebačka banka BH D.D Tuzla, Univerzal banka D.D Sarajevo, Tuzlanska banka and others). Individual officers do not benefit personally from this type of arrangement, nor are there known cases of serving police officers working as security guards while off-duty.

The majority of those interviewed for this study refused to comment on whether more systematic links exist between PSCs and traditional security actors, making it difficult to establish the reality. Of those who were willing to discuss the issue, a number alleged that strong connections between PSCs and military or government officials do exist, in some cases offering up the apparent failure of the police to implement checks on some companies (see below) as evidence of the existence of such unofficial and illegal relationships.²³ The existence of a connection between a PSC and the former director of the Federal Intelligence Agency and his deputy has, however, been publicly discussed and confirmed in interviews with PSC directors. The mode in which a number of PSCs were established during the 1990s, and the areas in which they were permitted to operate, is believed by several interviewees to provide further evidence of such connections. For example, the Sarajevo firm CIPOS was established with a remit to operate within those territories with a Bosniak majority, while IPON from Mostar was provided with a remit to operate in those territories with a Croat majority.²⁴

4.2 Political affiliations

It was also alleged during interviews for this research that a number of security companies have connections with political parties in BiH, although at least in FBiH the law forbids PSCs offering services to political parties. It should however be noted that the source for some of these accusations were PSC directors whose accusations might be designed to damage the reputation of competitive PSCs. For example, the director of one company in Sarajevo claimed during an interview that there are connections between the agency PUMA–Buntic from Mostar, and the Croatian Democrat Union party (HDZ). The director of PUMA–Buntic denied these claims when interviewed, stressing that he personally asked the US embassy in BiH to check the establishment and work of this company. He further stated, 'the case here is that some people are conspiring against me and my company'.²⁵ A further example of the links between PSCs and traditional security structures was provided by 'Redarstvenik', a security

²⁰ Op cit Talić; Buntić; Jasarevic; Galijatovic; Jazičić.

²¹ Salary differentials between PSC staff and the police actually favor this transition. The average salary for a police officer in BiH is 500 KM, while the average salary of a junior Private Security Guard is anywhere between 550 and 600 KM and the salary for senior staff is between 700 and 800 KM.

²² Information from the Ministry of Internal Affairs of Zenica-Doboj Canton, Letter No 08-02/3-04-12-450-1/05/MA, from 28 January 2005. Also correspondence with Ministry of Internal Affairs in the Tuzla Canton.

²³ Op cit Galijatović.

²⁴ Op cit Buntić.

²⁵ Ibid.



company that was created by the former Military Police of 'Herzeg Bosna' during the conflict.²⁶ Employees of this company still wear the police uniforms that were formerly worn by the police of the former republic of 'Herzeg Bosna'.²⁷ In this case the company has chosen to be quite explicit about its political/ethnic ties and represents a worrying example of the establishment of a company along ethnic lines.

4.3 Ethnic affiliations

As noted above, the contemporary structure of the private security market in BiH reflects the legal structure and workings of the country as a whole, the industry being regulated not at national, but only entity and cantonal level. This reflects the underlying ethnic division of the country at large, which was consolidated during the conflicts of the 1990s and remains largely intact. As a result, firms operate within one or other entity and typically employ a single-ethnicity workforce. While the regulatory system for PSCs is, like much else in the country, a reflection of the course of the conflicts of the 1990s, it can be argued that this division not only follows but also to some extent perpetuates an ethnic separation in the industry that stands in the way of more efficient and professional working practices and the consolidation and maturation of the industry.

4.4 Organised crime affiliations

Clearly in a situation of economic liberalisation, growth in private security provision, and weak state oversight, the private security sector represents an attractive target for organised criminal groups and networks. However, due to the sensitivity of this topic it is very difficult to find direct evidence of connections between private security companies and organised criminal groups and networks. Several interviewees, most of whom wished to remain anonymous, did allege that organised criminal groups have established PSCs in order to create a cover to assist them when running protection rackets and other illegal acts.²⁸ Fears were also expressed that members of criminal groups could use PSC accreditation in order to obtain legal permission to carry weapons. Recently, a series of raids conducted by EUFOR across BiH uncovered illegal stores of firearms, ammunition, and explosives on the premises of several PSCs.²⁹ Such stockpiles are clear indications that some PSCs possess significant quantities of material designed for criminal ends rather than security provision.

5 Regulation and conduct of PSCs

5.1 Legal basis for control of PSCs

As explained above, there is at present no national regulatory system for PSCs in Bosnia. Rather, regulation has been devolved to the Entity level and, in the case of FBiH, implementation of laws and regulations has been further devolved to the cantonal level. The two laws regulating private security companies in Bosnia are the 'Law on Agencies for Protection of People and Property' in FBiH³⁰ and the 'Law on the Protection of People and Property and Private Detective Work in RS'.³¹ Although the adoption of the respective laws in 2002 was a necessary and positive step in regulating the private security sector in both FBiH and RS, there are significant variations between the two laws, which means there is a strong argument for the introduction of national level regulations. The lack of a single over-arching law also causes problems when it comes to the carrying of weapons by security guards since, for example, an agency that has a weapon registered in the Sarajevo Canton, cannot legally carry that weapon into the territory of another canton.³²

²⁶ The short-lived statelet declared by Bosnian Croat nationalists during the war.

²⁷ Interview with anonymous PSC director, Sarajevo, February 2005.

²⁸ Interviews with current and former PSC staff, January 2005.

²⁹ EUFOR searched three PSCs in Sarajevo, Banja Luka and Mostar on 28 July 2005; source: *Dnevni Avaz*, *Nezavisine Novine*, 29 July 2005.

³⁰ *Official Gazette of the FBiH*, Year IX, No 50, 14 October 2002.

³¹ *Official Gazette of Republic of Srpska* No 50/2002.

³² Interview with Elmedin Muratbegović, member of the commission for creating the Law for the Agencies for Protection of People and Property, as well as sub-legal provisions for implementing the Law; op cit Jazičić; Bajraktarević; Nezirović; Galijatovic; Buntić; Talić.



In both FBiH and RS a company that intends to offer protection services to people and property can only be established by a legal domestic company or a Bosnian national. The restriction on non-Bosnian nationals working in PSCs would have to be removed if Bosnia were to enter the EU. In both FBiH and RS, those applying to establish a PSC must fulfil a number of requirements, such as: a minimum of five employees possessing valid licenses to perform security duties (FBiH only); the possession of suitable technical knowledge and equipment; and possessing business premises suitable for security work. Both founders and employees are also barred from this form of work if they are under criminal investigation,³³ are convicted criminals, are medically unfit, have been prevented from joining the police force by the Commissar of the IPTF,³⁴ or have been discharged from military service by COMSFOR/COMEUFOR.³⁵

The available evidence on the extent to which the laws and regulations governing PSCs in BiH are implemented is mixed at best. Some industry representatives argue that the low number of cases of public prosecutions against PSCs is evidence that companies are law-abiding.³⁶ However, media reports indicate that this may not be the case. Most companies do not appear to have adequate premises or possess appropriate equipment such as the specialised armoured vehicles for money transportation that the laws require. For example, when a robbery occurred at the beginning of August 2004 in Godusa, resulting in the loss of 80,000 and 30,000KM from the Raiffeisen Bank under the protection of CIPOS 007, employees were found to have taken the cheaper option of transporting the money in a private vehicle from Teočak to Sapna.³⁷

There are also incidents on record where PSCs have operated in geographical areas outside the remit of their licenses. Most commonly this involves the transfer of money between FBiH and RS by companies that are only registered to operate in one of the two Entities. This is illegal as the Federal Ministry of Internal Affairs (MIA) does not issue permits for companies to escort money between entities.³⁸ For example on 01 December 2004 2,047,000 KM was stolen from the Raiffeisen Bank in the largest robbery to have taken place in BiH. The money was at the time being transported in a bullet-proof vehicle owned by 'Alarm West' and 'CIPOS 007' from Sarajevo to Banja Luka. Both these companies were registered in the FBiH, not RS. Further, a number of security companies apparently employ people without the appropriate legal certification from the police to work as security guards.³⁹

5.2 Use of force and firearms

The use of force by PSC personnel in the FBiH is covered by Article 20 of the 'Law on Protection of People and Property',⁴⁰ which states that one fifth of the personnel of a company that performs physical protection can carry short barrel firearms for self-protection. In RS the limitation of weaponry is regulated by Article 18 of the 'Law on Agencies for Protection of People and Property and Private Detective Work',⁴¹ which states that companies that perform physical protection duties are allowed to acquire approved short barrel firearms for up to 50 per cent of their employees.

³³ 'Law on agencies for protection of people and property in FBiH'; 'Law on agencies for protection of people and property and private detective work in the RS'.

³⁴ IPTF- International Police Task Forces (OUN) - continuation of the European Union Police Mission (EUPM).

³⁵ This request was regulated by the Law on Agencies for Protection of people and Property of FBiH, while the Law on Agencies for Protection of People and Property and Private Detective Work of RS does not have the same regulations.

³⁶ For example a case in which surplus ammunition was discovered in a check-up by carried out by the authorities was cited. Op cit Bajraktarević; Stupar.

³⁷ Op cit Karić S and Muminović D.

³⁸ Ibid.

³⁹ Op cit Buntić.

⁴⁰ Official Gazette of FBiH, Year IX, No 50, 14 October 2002.

⁴¹ Official Gazette of Republic of Srpska No 50/2002.



Guards are armed with 9mm weapons and the relevant laws prohibit the use of automatic weapons, bullet proof vests, incendiary or dum-dum bullets or silencers and state that firearms must have a barrel no longer than 20cm.⁴² 'Non-lethal' weapons such as batons, shock guns and gas-sprays are not permitted. Guards cannot carry concealed firearms and all weapons have to be registered with the relevant authorities. The PSC is required to keep a record of the exact type of firearm being carried by each employee. Weapons are registered to the company and not the individual employee and when not in use should be securely stored in fireproof safes on the agency's premises.⁴³ Prior to each withdrawal or return of a weapon the employee is required to sign the weapon in or out of a company register. In FBiH this register is to be made available for inspection by the MIA.⁴⁴

The laws in both entities state that force is to be used only when absolutely necessary and when it is required in reaching the goals of law enforcement. The use of lethal force or firearms against a person by security guards is permitted only under the following circumstances: ⁴⁵

- for the protection of life;
- for the protection of themselves;
- to protect the person or property that the guard is protecting from attack;
- to prevent the escape of a person performing a criminal act against a property that the guard is protecting; or
- if the guard is put in a critical life threatening situation.

Prior to the use of a firearm security guards are required to warn the attacker of their intention to fire. When the firearm is in use the guard is responsible for the lives of other people that may be around at the time. PSCs are obliged to train their staff in applying the minimal use of force. The 'Programme of Training for Acquiring a Certificate for Physical or Technical Protection of People or Property' regulates such training in the FBiH.⁴⁶ To date there have been no reported instances of this regulation being breached and excessive force used or human rights being abused.⁴⁷ The official training programme for PSC personnel does not provide first aid training,⁴⁸ but the agencies themselves claim to offer first aid training for their personnel. However, personnel are not equipped with first aid kits.⁴⁹

5.3 Professionalism and training

The requirement for PSC personnel to be trained exists in both entities. In FBiH this is regulated by the handbook 'Training for the Acquirement of Certificate'.⁵⁰ Training consists of 40 hours of theory and 10 hours of practical work. The Federal MIA, Faculty of Criminal Sciences and the Cantonal MIA implement the training. The final oral exam is based on the theoretical part of the training. As far as FBiH is concerned, it appears that the application of the exam is rather rigorous, with lecturers keeping track of participants' attendance to ensure that candidates put in the set hours for both the theoretical and practical part of the programme.⁵¹ Persons who do not fulfil these requirements cannot take the exam and there have been no reported cases of cheating. Training in RS is

⁴² 'Law on agencies for protection of people and property in the FBiH'; 'Law on agencies for protection of people and property and private detective work in the RS'.

⁴³ Op cit Jazicic.

⁴⁴ 'Law on agencies for protection of people and property in the FBiH'; 'Law on agencies for protection of people and property and private detective work in the RS'.

⁴⁵ 'Rulebook on the use of physical force and fire arms when performing physical protection of people and property', *Official Gazette FBiH* No 54, 02 November 2002; op cit Spahic; Vejnovic.

⁴⁶ Official Gazette of FBiH No 54 from 02 November 2002 (Rulebooks).

⁴⁷ Op cit Bajraktarevic; and Information given by programme coordinator Nuna Zvizdić, UG 'Women to Women', Sarajevo 26 January 2004.

⁴⁸ 'Programme of the training for acquiring a certificate for performing physical or technical protection of people and property', *Official Gazette FBiH* No 54, 02 November 2002. (Rulebooks).

⁴⁹ Op cit Talić; Marinko; Galijatovic; Jašarević.

⁵⁰ 'Rulebook on training for acquiring certificates for performing physical or technical protection of people or property', *Official Gazette*, Year IX-No. 54, 02 November 2002.

⁵¹ Op cit Spahić.



both theoretical and practical, and is provided by the MIA or persons legally authorised by the Ministry.⁵² Training in both entities covers the handling and use of firearms and restraint techniques and is based on the UN Basic Principles on the Use of Force and Firearms by Law Enforcement Officials.⁵³

In FBiH internal regulation of PSCs is guided by a rulebook, the 'Rule of Order and Behaviour of staff and workers from the companies'. This rulebook contains: working times, rules for behaviour, the borrowing and returning of weapons, arrival and departure from work, shifts timetable, the colour of the uniform, the internal set-up and the structure of personnel.⁵⁴ International companies and embassies which engage local PSC personnel for their protection do not require that the personnel be trained according to any specific criteria as part of their contract tendering process.

A number of interviewees consulted for this research were of the opinion that PSC staff generally exhibit a good degree of professionalism in their work.⁵⁵ One example of good conduct was offered to the research team by interviewees – the attempted theft of vehicles from the New Banja Luka Bank some months ago. Media reports of the incident state that, 'workers⁵⁶ were not in a panic state and were able to control the situation in a calm manner and asked other employees to activate the alarm and reported the incident to the Prijedor Police Station'.⁵⁷

5.4 Oversight

There are at present no provisions for Parliamentary oversight of PSCs in BiH, however within the Ministry of Security (MoS) there is now a Working Group considering legislative options for the regulation of PSCs.⁵⁸ Responsibility for PSCs currently resides with the Federal MIA and Cantonal MIA in FBiH.⁵⁹ In the RS the Municipality Centres of Public Security are responsible for company registration while the MIA is responsible for monitoring implementation. Authorised officials of the FBiH MIA perform duties such as checking: the legality of the each PSC, the implementation of prescribed protection and security measures, the business premises, registration and business documentation, technical equipment and the management and safe keeping of firearms and ammunition.⁶⁰ The Ministry also has oversight responsibilities with regard to PSCs' use of firearms. If a security guard discharges a registered weapon, he is required to inform the closest police station. In addition the guard is required to write a written report and submit it to his superior at the agency. The agency subsequently submits the report to the authorized prosecutors office and the MIA.⁶¹ Police also have additional responsibilities in relation to contracts and commercial liability. All contracts between PSCs and their clients have to be submitted to the relevant police bodies that are responsible for monitoring compliance.⁶²

Until recently there has been very little evidence that security personnel regard the supervision of PSCs as a priority. The 28 July 2005 raids on PSCs across BiH marked an important turning point as EUFOR took decisive action against PSCs engaged in illegal activities in both the Federation and the RS.⁶³ Despite this encouraging

⁵² Dr Vejnovic D and Sikman M, 'Place and role of legal and sub-legal regulation of agencies for the safe keeping of people and property and private detective work', *Defendology*, (Association of Defendologists of RS, May 2004), p 27.

⁵³ Correspondence with Denis Hadzovic, Centre for Security Studies, 26 July 2005.

⁵⁴ Op cit Talić; Jasarevic.

⁵⁵ Interviews with Nuna Zvizdic, Programme Co-ordinator NGO 'Women to Women', 26 January 2005; Jasminko Đapo, Person in Charge of the Security Department HVB- Central profit banke, January 2005.

⁵⁶ Interviews with PSC staff, January 2005.

⁵⁷ *Dnevni Avaz*, 26 January 2005, p 27.

⁵⁸ Correspondence with Vjekoslav Vukovic; Assistant Minister of Security, 29 July 2005

⁵⁹ Individual Cantonal ministries take responsibility for registering companies.

⁶⁰ 'Law on agencies for protection of people and property in the FBiH' and 'Law on agencies for protection of people and property and private detective work in the RS'. Op cit Jazičić; Bajraktarević; Nezirović; Galijatovic; Buntić; Talić.

⁶¹ 'Law on Agencies for Protection of People and Property and Private Detective Work of RS', Article 24. Also Law on agencies for protection of people and property in the FBiH and Law on agencies for protection of people and property and private detective work in the RS.

⁶² Op cit Galijatovic; Buntić; Talić; Đapo.

⁶³ EUFOR searched three PSCs in Sarajevo, Banja Luka and Mostar on 28 July 2005; source: *Dnevni Avaz*, *Nezavisine Novine*, 29 July 2005.



and aggressive change in tactics, there remain a range of problems at all stages in the oversight process, from company registration, through to background checks and, at least until recently, the routine inspection of operators. For example, because of disagreements between the Sarajevo Cantonal MIA and the Federation MIA, the former has not issued an official ID for PSC personnel even though the law demands that the ID must be visible while private security guards are working. The MIA in RS has not as yet performed any certification of PSC personnel.⁶⁴ A number of those interviewed also expressed serious doubts about the effectiveness of the police in carrying out background checks on PSC personnel. One source, who wished to remain anonymous, claimed that some 'criminals' can acquire certification of no prior criminal convictions from the police and that there have been cases where the mafia has gained such certification by using threats. It also appears that the performance checks which the new PSC laws require police to carry out are not being conducted routinely – for example, since the new PSC law was introduced in FBiH in 2002, Agency Puma has been inspected only once, in March 2004. Other agencies have yet to be inspected at all.⁶⁵

6 Conclusion and recommendations

This study has outlined a number of areas in which regulation and oversight of the private security sector is necessary in BiH. Firstly, it is vital that the laws governing the industry at the entity level are at a minimum harmonised, or better still, replaced by national laws. The existence of a BiH Working Group to consider legislative options for PSCs is a positive sign that the status quo will not be tolerated. There was virtual unanimity among those interviewed that at the moment the industry is not suitably regulated or overseen. The majority of PSC directors in both entities stressed that there is almost no regulation and that which is carried out is usually symbolic in nature. This lack of effective oversight enables many agencies to work illegally, including the employment by some agencies of staff with criminal records.

In a context of ongoing police reform and downsizing, this means that the country's 22,000 public sector security staff are faced with an ever larger private sector to oversee. Unfortunately there is still insufficient information about the industry. Many PSC staff approached for this research were suspicious and not willing to speak, while the general public and the media appear to have little interest in the topic. It seems that many government officials share this lack of interest, which accounts in part for the poor oversight of the sector. As in most other countries in the region, no consideration has been given so far to further oversight of the industry by institutions such as the national parliament. The industry also has some way to go in terms of self-regulation, and the more forward-looking operators should themselves begin working towards agreement on a code of conduct. However, given the substantial powers that international actors possess in BiH, in a situation where the state is unwilling or unable to introduce a high level of accountability or scrutiny, the sector's clients should be insisting on more professional standards among the agencies they employ.

6.1 Main recommendations

- The authorities in both Entities should step up their efforts with respect to PSC oversight, re-visiting the question of PSC registration and inspection. Where necessary, assistance should be sought from international sources in difficult cases.
- The RS authorities should undertake to complete the certification of all PSCs operating within their jurisdiction at the earliest opportunities, denying licenses to operators who do not meet entity and international standards wherever appropriate.
- There is a need to reform the current oversight procedure throughout the whole of BiH and ensure companies work in a lawful manner, particularly but not exclusively, in regard to the use of force and firearms.

⁶⁴ Interview with Taib Spahić, Police Academy of FBiH, 28 January 2005; op cit Galijatovic; Buntić; Talić; Jasarevic; Jazičić; Bajraktarević; Nezirović.

⁶⁵ Ibid.



- As a first step, an adequate legal framework for the regulation and oversight of PSCs should be put in place at the state level. Any such legislation should be harmonised with international standards and EU norms.
- This should be followed by a transfer of responsibility for oversight of the sector to the state-level MoS.
- The recent aggressive ‘search and seize’ operations conducted by EUFOR are a positive sign that operational oversight is being enhanced. While these operations are a good start, it is vital that local law enforcement agencies pursue a similar approach and that the judicial process is utilised to prosecute those who violate the law.
- The training curricula currently in use should be reviewed to ensure that adequate coverage is given to first aid.
- The PSC industry should itself create a professional code of conduct and an associated professional association in order to have greater but equal competition. Donors and clients should support any such efforts.
- The police and PSCs should sign legally binding working agreements to clearly distinguish their mutual roles during joint operations.
- Supplementary oversight methods, in particular the use of parliamentary committees and an Ombudsman’s office, should be established and supported.



Bulgaria

1 Background to the privatization of security

With the end of the communist regime in 1990, Bulgaria began the long and sometimes painful process of establishing a market economy and liberal democratic political system. Many of the political and economic reforms that the transition required have proven difficult, particularly during the early to mid 1990s when the economy, national administration and security sector were simultaneously being reformed. This resulted in a period of extended physical and economic insecurity for the country's citizens caused by inflation, unemployment, corruption, high crime rates, and acute periods of political instability.



From around 1998 however, the overall political and economic situation in Bulgaria gradually stabilised. Having successfully achieved NATO membership in 2003, Bulgaria is also firmly on a path towards EU integration. While accession is dependent on further consolidation of a market economy, democratic practices and the firm establishment of administrative and judicial capacities needed to enforce EU laws, with recent EU evaluation reports commending the reforms undertaken to date, accession is now expected in early 2007. Meanwhile, the country's performance with respect to elections, the rule of law, the independence of the press, the quality of law making and the honesty of the public services continues to be closely monitored by the EU.

PSCs began operating in Bulgaria during the early 1990s at a time when the state was abdicating ever more responsibilities for the maintenance of public order in the face of budget shortages and privatization programmes which caused the Ministry of Interior (Mol) to withdraw protection from all manner of production and commercial facilities.¹ For most of that decade the word 'private security guard' or '*ohranitel*', had a negative connotation in Bulgaria, because of a perception that such companies were involved in extortion, racketeering, and organised crime. This image gradually changed after 1998, when a critical mass of legitimate companies started to dominate the sector. This was partly due to substantial staffing cuts in the Bulgarian military, following which many former officers started working in or set up their own private security firms.

An understanding of the period prior to 1998 is important in order to provide a context to subsequent developments. The history of private security provision in Bulgaria can be divided into four distinct periods. The first, between 1990 -1994, was marked by the engagement of PSCs in racketeering and extortion activities, as well as various other organised crime businesses. During the second period when regulation was first introduced, between 1994-1998, criminal PSCs were denied private security licences and consequently registered as insurance companies, through which they were able to continue racketeering and extortion activities.² From 1998 - 2000, the majority of these 'former-PSCs-turned-insurance-companies' had their insurance company licenses revoked and gradually turned to other activities.³ The record since 2001 has been marked by the increased legitimacy of PSCs and the growth of public confidence in their operations.

The industry is now extremely well developed with both nationally and internationally owned companies operating in Bulgaria.⁴ The vast majority of PSCs are, however, nationally owned. There are at least 1,000 firms working in Bulgaria providing some form of security coverage, employing around 130,000 personnel between them.⁵ The

¹ *Partners in Crime: The Risks of Symbiosis Between the Security Sector and Organised Crime in South East Europe*, Centre for Study of Democracy, Sofia, 2004, p13.

² The first legislation covering the sector was introduced in 1994, Ordinance I-14 of the Mol. Correspondence with Snejana Maleeva, Mol, 26 July 2005.

³ The Interior Minister, Bogomil Bonev, was behind the effort that led to the revocation of the insurance licences of all companies that used illegal means to impose their services on clients. 'Bonev Bans the 'Bad Guys' from Insuring', *Capital*, Issue 37, 1998.

⁴ For example, 'Group 4 Securitas/Bulgaria', a subsidiary of the company Group 4 Securicor, which is in turn owned by the Danish company Falk, the second largest security firm in the world.

⁵ Mol personnel have quoted figures of 1,500 - 1,600 in various public statements. However, the number 1,000 was supplied to the researchers in correspondence with Snejana Maleeva, Mol, 26 July 2005, based on statistics provided by the National Social Insurance Institute.



number of staff employed by each PSC varies greatly from company to company, depending on the company's range of activities and area of operation. For example, EGIDA-Sofia and Scorpio each have about 1,800 employees, while Pleven Security Group Ltd. has only 250 employees.⁶ The larger PSCs generally employ between 1,000 and 3,000 staff, the mid-range companies between 300 and 700, while the small companies generally have fewer than 200 employees (a large number of small private security companies have less than 100 employees). The percentage of those staff that actually work as security guards varies depending on the amount of static-security or close protection services offered by the firm.

Group 4 Securitas/Bulgaria is the largest international company in the country with a well-established position in the market. The company has a higher level of professionalism than many small security companies and, unlike most of its Bulgarian competitors, its staff consist of individuals with similar backgrounds (police and military) and training. Indeed, most of the security guards working for Group 4 Securitas/Bulgaria are former police officers.



Uniformed security guards, Group 4 Securicor, 2005

In addition to private PSCs, there are a number of security companies in which the state has a controlling share. Various government agencies own these companies. Examples include EGIDA-Sofia, which is owned by the city of Sofia, and 'MOBA', which is owned by the Ministry of Defence. These security companies have the same operational licence as private security companies and comprise a very important part of Bulgaria's security sector.

Finally, though they are still rare in Bulgaria, PMCs have started to emerge. Bulgarian military and Special Forces personnel are increasingly attracted by the prospect of becoming mercenaries or working abroad. For example, the PMC 'Salamander' is known to recruit mercenaries while 'Balkan Security' is known to have bid for contracts to provide military services in Iraq.⁷ There is at present no special law regulating the activities of PMCs.

2 Contemporary security threats

The perception of insecurity is a significant problem in Bulgaria. Although crime surveys have shown that public perceptions of security do not necessarily reflect reality and have more to do with political crisis and instability than with actual experiences of crime, studies point to chronic feelings of insecurity among most Bulgarian citizens even if this perception is largely unfounded.⁸ This factor is key in explaining the growth of the private security sector, which has drawn upon the public's fear of crime to increase its business from the early 1990s onwards.

According to the international crime victimisation survey (of 1,200 households) conducted in Bulgaria by UNICRI (United Nations Interregional Institute on Criminal Justice) in 2002, the burglary rate (2%) is lower than those in most developed Western countries, such as England and Wales (2.8%), Canada (2.3%), Belgium (2.8%), the Netherlands (2.7%).⁹ The number of businesses and commercial enterprises suffering from burglary is, however, considerably higher - 37% of respondents to a Gallup/UNICRI survey among 532 businesses in Sofia replied that burglary 'was the most serious crime' of which they were victims. About 32% of business in Bulgaria has had some sort of crime committed on their premises. The perception that burglary is the most serious crime explains the increase in employment of private security firms by Bulgarian business. 'Theft by outsiders' (14%) and 'theft from vehicles' (13%) are the two other most serious crimes of which businesses in Sofia have become victims. Only 9% of businesses believe that intimidation or extortion were common practices in their line of business (compared to 18% in Bucharest, and 7% in Budapest, 8% in Vilnius, or 17% in Zagreb). The most common type of intimidation is extortion for money - 69%. About 11% of business respondents think that 'requests for protecting

⁶ The Bulgarian Security portal, <http://www.security-bg.com>, accessed 15 February 2005.

⁷ 'Balkan Security Enters in Iraq', *Monitor*, 01 September 2003.

⁸ Bezlov T and Gounev P, *Crime Trends in Bulgaria: Police Statistics and Victimization Surveys*, Center for Study of Democracy, Sofia: 2005, p 20.

⁹ Op cit Bezlov and Gounev, p 20.



money' are common in their line of business. About 18% of businesses in Sofia state that they have taken measures against crime, including burglar alarms or static protection. In this regard Sofia rates second only to Budapest, where 26% of businesses have taken such measures.¹⁰

Table 1: Crime Rate in Bulgaria.¹¹

ITEM	2001	2002	2003	2004
Number of crimes	135,863	132,320	130,161	129,421
Crime rate	1,722	1,686	1,668	1,663
Crime victimization	17%	N/A	14%	N/A

While the available crime rate figures do not identify the rate of violent crime or crimes against the person in Bulgaria, they do seem to reflect a positive gradual downward trajectory in all crime. This is in keeping with the general stabilisation of the country following the dramatic economic changes of the 1990s. As the security industry has professionalised it has also helped guarantee this stabilisation in two ways. Firstly, as the efficiency of PSCs has increased they are better at protecting their client's assets and in this way contributing to wider public safety. Secondly, as PSCs have become more professional so the number of PSCs involved in organised crime has decreased.

3 The services provided by Private Security Companies

The companies interviewed offered a range of different services to their clients. The services that were commonly offered are:

- **Personal security:** Companies provide various forms of protection including close protection, static security (buildings, industrial sites, embassies etc.), security and stewarding at public events (concerts), transportation and processing of cash and valuable shipments, design, delivery, installation, maintenance and servicing of electronic fire alarm and CCTV monitoring systems;
- **Remote security:** This is the fastest growing component of most PSCs' business and involves the installation and monitoring of electronic alarms or CCTV monitoring systems (the Bulgarian National Police Service also offers this service, see below);
- **'Law enforcement' services:** Some PSCs, especially but not exclusively those that are connected to organised criminal structures, are often used for semi-legal law-enforcement services. In one such 'operation' described in the media, former Deputy Prime Minister (1990) and former Defence Minister (1991 - 1992) Dimitar Ludjev, claimed possession of a rental property by hiring 30 bodyguards from a PSC named IN-80 and forcing the tenants out of an office building which he claimed they unlawfully occupied as the Sofia-region authorities leased the building to him.¹² The lack of police presence in villages and small-towns also provides an opportunity for PSCs to offer policing-style services. In one village, 'Varbitza' where the police declined



Physical security, armed security officers, 3S SOT Limited, 2005

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¹⁰ *Ibid.* & UNICRI and The Gallup Organization, *International Crime in Business Survey*, <http://www.galluphu/Gallup/monitor/kutatas/ICBS-2000en.ppt>, accessed 01 March 2005.

¹¹ Op cit Bezlov and Gounev.

¹² Normally, expelling tenants from a building is the responsibility of the police following a court hearing. Instead, Mr. Ludjev hired bodyguards from IN-80, a company founded by a former Special Forces soldier. The police did nothing when they were called and the prosecution ordered a police investigation. In the next few days, the tenants decided to empty the premises. 'Nov Izbor' - Took Over an Office Building the Old Way—with Former Berets', *Banker*, 08 May 2004.



the mayor's request for an increased presence, the community turned to a security firm based in nearby Dimitrovgrad. Every household in the village (with a population of 560) agreed to hire the firm and contribute one euro per month towards the €75 /month salary of bodyguards who now patrol the village at night.¹³

- **Debt collection:** Bulgaria has quite an inefficient and slow system of debt collection and there is a backlog of 375 thousand debt claims worth US\$ 1.1 billion. Banks and other financial institutions 'use all other possible means to solve debt issues without [resorting to] the court system'.¹⁴

In the research for this report a wide range of different institutional and private employers felt the need to employ the services of a PSC. The customer base of the PSC market includes the following:

- Banks, both local and international (e.g. Bulbank, HVB, The Bulgarian-American Investment Fund, United Bulgarian Bank, First East International Bank);
- Embassies and residencies of diplomats (e.g. The Belgian Mission and Ambassador's Residence, The British Embassy, The Embassy of the USA, The European Community Delegation);
- State and Public Institutions (e.g. the National Assembly Facilities, Ministries, Ports, Post Offices, the Regional Tax Directorate, the National Electric company, Ministry of Defence);
- International NGOs, organisations, businesses and corporations (e.g. the Centre for the Study of Democracy, Intracom, Nestle, The Swiss Institute for Development Research, the International Centre for Company Management, various international airline companies, the World Bank, the European Bank for Reconstruction and Development);
- Hotels (e.g. the 'Golden Sands' Black Sea Resort, the Hilton Hotel in Sofia etc.);
- Company Buildings and offices (e.g. the TSUM building, KPMG, Reuters Bulgaria, private radio stations);
- Industrial sites ('Lukoil – Neftochim' Bourgas and its pipelines, storage tanks and warehouses, Grand Bulgarian Mills, 'Elchim-Iskra' plant in the town of Pazardgik, the Arsenal arms factory in Kazanlak¹⁵);
- Gas stations (e.g. Shell, Lukoil);
- Sport halls and stadiums (e.g. Festivalna Hall, Universiada Hall);
- Private houses; and
- Port of Varna and Port of Burgas.

As both publicly and privately owned security companies presently operate in Bulgaria, the security industry has been divided into different segments, with public and private companies on the whole providing security services to different client bases. For their part public owned PSCs tend to have a specialised list of responsibilities. For

¹³ According to the village mayor, since the start of patrols in January 2005, the number of recorded burglaries in the village has dropped significantly. Interview with Dencho Gilev, Mayor of the village of Varbitza, 08 March 2005.

¹⁴ Dimitrov M and Stanchev K, 'A Law on Private Collection Judges should be Approved Before the Elections', *Institute for Market Economy*, February 2005, http://ime-bg.org/pr_bg/213-3.htm. Concerns have been raised about the use of PSC staff as semi-official debt collectors. As one analyst recently put it, 'with such slow and expensive procedures for debt collection it is not surprising that unofficial or semi-official debt-collectors (often muscular Mafioso look-alikes, or 'mootra') work to collect larger sums. With debts above 15,000 Euros their fee is usually 10 - 15% of the sum to be recovered'. Krasen Stanchev, *Institute for Market Economics*, quoted in Mara Georgieva, 'Private Collection Judges will Compete with the Government Ones', *Capital*, 26 February 2005.

¹⁵ Interestingly, private security guards who man the exterior of the Kazanlak weapons plant have been identified by former and current factory workers as 'less competent, under-paid and often more corrupt than the police who formerly guarded the plant in the Communist era' in a recent survey of small arms and light weapons proliferation in Bulgaria. Inadequate security at the plant is thought to be contributing to low-level theft of firearms parts from the factory. *Taming the Arsenal – Small Arms and Light Weapons in Bulgaria*, SEESAC, March 2005, p 23.



instance, EGIDA-Sofia, a security company owned by the city of Sofia is in charge of the security in Sofia of all publicly owned schools, kindergartens, care homes, subways, parks, gardens and cemeteries.

There is a clear correlation between the number of operating PSCs and the crime rates in different regions of Bulgaria. Regions with high crime rates, such as Sofia, Pernik, Varna, or Pleven have some of the largest concentration of PSCs. On the other hand, a few regions with low crime rates but high commercial activity, such as Sofia Region, Lovech and Gabrovo, also have quite a large concentration of PSCs. It could be inferred from these correlations that both high crime rates and the concentration of businesses are determining factors for the increased presence of PSCs in a given region.

It is difficult to assess the impact of PSCs on the general crime rate. The available statistics on burglaries provide an example. Hiring a security guard or installing an alarm does seem to have a deterrent effect on potential burglars, as is shown by the concurrent decrease in thefts from businesses and increase in the use of private security services by those companies. Indeed, in the period 2001 – 2003, burglary victimisation rates have fallen. Yet the reasons for the fall in the number of burglaries committed are complex and it is difficult to assert that the presence of PSCs has been the most important contributing factor.

4 Affiliations between PSCs and other sectors

4.1 Security sector affiliations

There seems to be quite a developed level of affiliation between PSCs and the public security services. PSC staff are very often retired or dismissed police and military officers, while present military and police officials have had interests in PSCs. For example, the Chief Secretary of the Ministry of the Interior, General Boyko Borissov, was formerly an owner of IPON Security, one of the largest PSCs operating in Bulgaria. Such instances point towards the existence of informal connections between PSCs and MoI or Ministry of Defence (MoD) officials. In addition, as members of various business associations, PSCs are able to establish connections with officials from other government ministries and local authorities. Further, when PSCs are hired by local governments to provide security services, such as school security, they inevitably establish strong formal and informal relationships with their public sector clients. In order to facilitate cooperation between private and public security providers, the National Police Service has established a consultative group ('Consulting/Advising Council'), which brings the police together with five industry associations to discuss joint working.¹⁶

As mentioned above, public entities are also able to operate their own security firms. The Bulgarian Ministry of Defence has established its own security company, 'MOBA'. Before MOBA was established, the military used to hire PSCs from the open market to guard their premises. MOBA is now responsible for security at all military depots, whereas PSCs are still employed to guard buildings and bases. Bulgaria also differs from other countries in the region in that the police offer a rapid response service to paying customers, in direct competition with PSCs. The 'Security Police Division' of the National Police service will, for a monthly fee, install an alarm system in one's home, which is linked to vehicle patrols that respond to the alarm in case of a burglary. This practice is quite legal and is permitted under Article 60 of the MoI Act.¹⁷ It poses two problems however. Firstly, competition between private and public security providers is bad in itself since it tends to discourage the cooperation between the two sectors that is necessary for effective law enforcement. Secondly, in devoting additional time to paying clients, Bulgaria's public security forces are depriving other members of the public of a security resource that they have paid for in taxes. In providing this service they are likely contributing to a displacement of crime away from rich and into poor neighbourhoods.

¹⁶ Article 37 of the Law on Private Guarding Activity allows for such a group Correspondence with Snezhana Maleeva, MoI, 26 July 2005. Statistics provided by the National Social Insurance Institute.

¹⁷ Correspondence with Snezhana Maleeva, MoI, 26 July 2005.



4.2 Political affiliations

In the early 1990s crime gangs posing as PSCs were able to exert a degree of political influence because the emerging political system was considerably weaker in its early transition period. As questionable PSCs were forced out of business in the late 1990s the level of political influence exercised by the sector dissipated. However, some companies continue to have political influence. For example the founder of AS Scorpio Ltd, Kamen Penkov, is on the Supreme Council of the Bulgarian Socialist Party. As many individuals of the BSP political elite run successful businesses, this company has strong connections and guards various companies in the energy industry, including Bulgargaz, Union Miniere Pirdop Copper and Kazanluk Heating Company.

4.3 Organised crime affiliations

Bulgarian PSCs have a long history of involvement with organised crime activities. Although PSC involvement in organised criminal activities, especially in some companies created by former special forces personnel, continues to be a problem, as the industry has professionalised this involvement is fading. Licensing of PSCs by the Ministry of Interior began in 1994, during Reneta Indjova's caretaker government. As a result, the most prominent firms suspected of being involved in criminal activities lost their right to carry out security activities and many re-branded themselves by registering as insurance companies that served as a front for racketeering. This time instead of protection, they provided 'insurance' and their target markets were those most liable to risk – cars, shops and public places. In less than a year two major groups of so-called 'power insurers' were formed – VIS-2 and SIC. The activities of these 'insurance' companies impacted directly on a large proportion of the population since most Bulgarians owned a car. Although the 'power insurers' pushed petty crime down, conflict between their own local structures became common.¹⁸

5 Regulation and conduct

5.1 Legal basis for control of PSCs

The 'Law on Private Guarding Activities' (LPGA),¹⁹ which governs PSCs has been in operation for approximately one year. Unlike some other laws developed as a result of EU influence, the LPGA was developed indigenously with the active participation of a board of private security firms. This attempted to ensure that the law does not include provisions that are unrealistic and that the provisions are in correspondence with existing private security practices.

The law, which came into force on 24 February 2004, governs the activities of PSCs in Bulgaria, requiring companies wishing to carry out private security services to register with the police. According to the LPGA, 'Private guarding activity shall be carried out only upon obtaining a licence or registration by the order of this law'²⁰ and 'Licenses for carrying out private guarding activity shall be issued by the Director of National Police Service or by persons authorised by him'.²¹ The Director (or those authorised by him) has the right to issue or refuse a licence within one month from the date of application.²² When applying for a licence, the owners of the applicant PSC – 'individuals registered as sole entrepreneurs, the members of the management body of the trade company, as well as the unlimited liable partners of a limited joint stock company or general partnership' – need to provide the following information: a certificate issued by the National Investigation Service certifying that the applicants are not subject to any criminal proceedings 'for a deliberate crime of a general nature', and a declaration by the persons stating the same, (Article 15, Paragraph 3 of the LPGA). Individual guards may only take up employment with a company on successful completion of a training course run by the MoI, (see below), which serves to

¹⁸ *Conflict Vulnerability Assessment*, Conflict Management Group and Centre for the Study of Democracy, March 2002, http://www.dec.org/pdf_docs/PNACP411.pdf.

¹⁹ 'Law on Private Guarding Activities', State Gazette No. 15/24, 24 February 2005.

²⁰ Ibid, Article 4, Paragraph 1.

²¹ Ibid, Article 14.

²² Ibid, Article 17.



register them with the authorities. There is no legal requirement for background checks to be carried out either by the police or companies themselves.

Article 40 of the LPGA foresees the creation of a 'Single Automatic Central Register' for all licences and registrations issued to PSCs, which will also contain data on the number of weapons used in guarding activities as well as the number of guards used to guard each site. At the time of writing the register is still not functioning, and according to the Mol, this 'impedes the activities of the police authorities'.²³

As of 25 February 2005, about 550 PSCs have been registered under the LPGA. Of these, 140 are licensed to operate throughout the country, whereas the rest are licensed to operate in the area of one or more regions of the country. Companies licensed under the preceding Ordinance I-79 (revoked with the entry into force of LPGA), usually for a 3-year period, need to register in accordance with the new law when their present license expires. Thus, in the next two years these licences will expire and all PSCs will register in accordance with the new LPGA.

Although PSCs need to be licensed in order to operate, Article 5.1.5 of the LPGA allows private companies to establish in-house 'self guarding' security departments for the protection of company facilities. Article 5.1.5 has been interpreted to mean that in order to set up a protection unit, the applicant company (for example a bank, or a company that has a few factories), simply needs to notify the Director of the Regional Police Department in writing of the location of the proposed site and the names of the guards, providing:

- A description of the self-guarding activity;
- The type of guarding activity (armed or unarmed);
- A list of all personnel that would be carrying out the guarding activity, and in the cases of armed guards copies of the their firearm permits; and
- Samples of their badges, or company ID cards and uniforms.

Article 5.1.5 is considered by some private security companies to be a loophole in the law. It is exploited by a number of organised crime figures who are said to move bodyguards around between locations by registering a company, and then a self-guarding unit for that company, with the police, instead of obtaining a license for 'close protection' as required by Article 5.1 and Article 13 of the LPGA. Some big companies and banks also avoid the licensing process or hiring PSCs by registering self-guarding units.²⁴

5.2 Use of force and firearms

Article 34 of the 'Law on Private Guarding Activities' regulates the right of private security guards to use force, as well as the situations when the use of force is prohibited. Specifically, it states that:

- Guards shall have the right to use physical force and auxiliary devices – handcuffs, rubber and plastic truncheons – where it is impossible to fulfil their official duties in any other way, taking into account the concrete situation, the nature of the violation of the public peace and the personality of the offender;
- Physical force and auxiliary devices may be used after an obligatory warning, with exception in cases of sudden attack;
- In using physical force and auxiliary devices guards are obliged to protect the life and the health of the persons against whom they are directed;
- The use of physical force and auxiliary devices should cease immediately after the achievement of the objective of the applied measure; and

²³ Correspondence with Snezana Maleeva, Mol, 26 July 2005. Statistics provided by the National Social Insurance Institute.

²⁴ Boyan Boyanov comments at a Press Conference of the National Association of the Persons and Association Performing Protective Activity (NAPAPPA), 23 February 2005.



- The use of physical force and auxiliary devices against minors and pregnant women is prohibited ('Law on the Private Guarding Activities'. Article 34).

However the use of firearms by PSC staff is regulated under the separate 'Law for Control over Explosives, Firearms, and Munitions (LCEFM). In order to use firearms at work legally, guards must obtain two permits, one to own and one to carry a weapon. Many private security guards are not licensed to carry firearms and do not do so. However, the law also allows guards to use their privately owned weapons at work, provided that records of the weapons in use are kept at the site being guarded, and many apparently do so, with companies relying heavily on this.²⁵ The LCEFM generally restricts self-defence weapons to pistols and revolvers,²⁶ the types of weapons used by most private guards. Private security guards are further permitted to use automatic firearms when 'carrying out guarding activity with a high degree of danger for the guarded site and the guards', though it was not clear from this research whether any objective criteria are used to determine levels of threat.²⁷ Firearms acquired by corporate bodies and persons registered as sole entrepreneurs for guarding can only be carried while engaged in guarding activity. When not in use firearms are required to be stored in 'metal safes, permanently fixed, supplied with combination locks and provided with armed physical guarding'.²⁸ Corporate bodies and entrepreneurs can acquire guns and revolvers with a barrel length of up to 300mm, smooth barrel rifles with a barrel length from 300 to 510mm and up to 50 firearms of each calibre and model.²⁹ Companies can also acquire up to 50 rounds of ammunition for each firearm as well as an additional 50 rounds per gun and revolver and 200 pieces for smooth barrel rifles for training purposes.

Each case of the use of force or firearm by a PSC employee while fulfilling his duty is further regulated by Article 35 of the 'Law on Private Guarding Activities' according to which 'for each case of detention, using of physical force, auxiliary devices and firearms the guard shall prepare a written report to his chief, a copy of which shall immediately be submitted to the respective police bodies'.

Unfortunately this research was unable to examine the consistency with which the laws and procedures on the use of force and firearms are implemented in any detail and further work is needed to assess this. Certainly there were frequent incidents of human rights abuses by PSC staff during the early 1990s. For example, the 1994 Annual Report of the Bulgarian Helsinki Committee stated that representatives of a security company attacked the homes of members of the Roma minority using firearms.³⁰ Although the frequency of such incidents has been markedly reduced since 2001, there have continued to be occasional reports of firearms misuse by PSC personnel. For example, on 22 September 2004, a security guard from the company 'Kentavr' shot at a Tanzanian refugee outside the shelter of the State Agency for refugees. Witnesses stated that the refugee did nothing to provoke this response and that the guard was obviously drunk.³¹ Further, on the 03 April 2005, a private security guard shot a 17 year old Roma boy who was trying to steal some iron scrap from the yard of a former military school in Sofia in the back. The incident sparked protests from the local Roma community and questions were subsequently raised in the media about the background of private security guards, most of who have military, and in some cases mafia backgrounds, racism among their ranks, and about the training they receive.³²

5.3 Professionalism and training

Article 28, Paragraph 3 of the 'Law for the Private Guarding Activities' specifies that the staff of successful applicant private security companies must undergo a basic training programme (the 'Minimum Programme'),

²⁵ 'Law for Control over the Explosives, Firearms and Munitions', Article 14.4, in *Taming the Arsenal – Small Arms and Light Weapons in Bulgaria*, SEESAC, March 2005, p 6.

²⁶ 'Law for Control over the Explosives, Firearms and Munitions', Article 5.3.1.

²⁷ Ibid, Article 5, Paragraph 4.3.

²⁸ Ibid, Article 14, Paragraph 3.

²⁹ Ibid, Article 57.

³⁰ *Human Rights in Bulgaria: Annual Report of the Bulgarian Helsinki Committee*, Bulgarian Helsinki Committee, Sofia, 1994, <http://www.bghelsinki.org/annual/en/1994.html>.

³¹ 'Security Guard fires against refugee in front of shelter', *NOVINAR*, 24 September 2004.

³² The Mol Quickly Solves the Murder of a Roma, *Dnevnik*, 05 April 2005. (Also Without Responsibility), *Dnevnik*, 05 April 2005.



organised by the Academy of the Mol and approved by the Director of the National Police Service. The training programme lasts six days and consists of lectures and practical sessions. The curriculum must cover:

- The legal regulations on private security activities;
- Legal training on how to handle different circumstances;
- The rights and obligations of the guards;
- Relations with the citizens;
- Self-defence techniques (including non-lethal restraint); and
- Medical assistance.

Firearms handling is not covered on the Minimum Programme, and those guards wishing to carry firearms at work must first pass through a standard Firearm Training Programme which applies to all citizens, and they must obtain permits to own and carry weapons (see above). According to the law, at the end of the training programme, practical training has to be organised for a period of no less than five days for those security guards who do not have any professional experience. Many companies, including but not limited to EGIDA-Sofia IN-80, Force-Delta and Balkan Security, have their own additional training programmes.

In the light of the reported cases of misuse of force and poor conduct by Bulgarian private security guards cited above, the effectiveness of the current training regime in ensuring the minimal use of force by PSC staff must be questioned. Further, although newly recruited guards now attend these programmes, it was not clear from this research whether the many thousands of existing PSC staff, some with years of experience, have obtained the required training certificates.

5.4 Oversight

Under the present regulatory system, the Mol and its agencies provide the only real external oversight of PSCs in Bulgaria. Other institutions such as the National Parliament and Ombudsman's office have legal powers of oversight but no real capacity to do so.³³ Until recently, although all the necessary provisions and penalties for effective regulation of the private security sector by the Mol are presently in place, these provisions have not been applied fully by the relevant government authorities. At the time this research was conducted in February - March 2005, only one administrative sanction was on record as having been applied since the LPGA entered into force in 2004 (as mandated by Article 42.1.2 of the LPGA) – a fine of between €5,000 and €25,000 was imposed on a company that provided security services without a licence. In November 2004 a company called VTA had its licence revoked. VTA is widely known to have provided security to one of the biggest figures in organised crime in Bulgaria, Dmitry Minev, a.k.a 'The Russian'. Following his assassination, VTA provided security at Minev's funeral in October 2004, refusing anyone entrance to Sofia's Central Cemetery, and assaulting some photo-journalists who were taking pictures of the house of the murdered crime figure. According to media reports, during the funeral the Sofia City Security Company 'Egida' and the police force were notable for their absence, and the company's conduct caused a public outcry.³⁴ However, since VTA's cars and advertising billboards are still highly visible in Sofia, the research team conclude that the company is still operating.³⁵

In June 2005 the police launched a nation-wide inspection of all PSCs, threatening to revoke the licences of all companies that had not met the requirements laid down in the LPGA in an effort to ensure compliance.³⁶ The

³³ For example the National Ombudsman was appointed in 2005. It handles complaints about the public administration and so has competency to oversee the work of city or state-owned security firms. However, the Ombudsman is a single individual with no staff, and the office therefore functions poorly. 'Law on the Ombudsman', State Gazette No 48 of 23 May 2003, in force since 01 January 2004.

³⁴ 'The Guards of Dimata Rusnaka Left without a License', *Banker*, 06 November 2004. MOI sources state that despite the media coverage, officers from the local police station 'took the necessary organizational measures against possible infringements of the public order'. An appeal is currently underway against the Director of the National Police Service's decision to revoke VTA's licence. Correspondence with Snezhana Maleeva, Mol, 26 July 2005. Also, Ministry of Interior written communication to Centre for Study of Democracy, 11 February 2005.

³⁵ Correspondence with Centre for Study of Democracy, 27 July 2005.



operation coincided with the deadline for PSCs to train their personnel, as required by the law. Inspections were apparently conducted according to 25 different criteria which included training of personnel, security plans for guarded sites, lists of the guards employed by the firm, guarding regime regulations, background checks on guards, psychiatrist's affidavits for guards, firearm permits, and vehicle-inspection permits.

Oversight of the operations of PSCs in Bulgaria is helped by the existence of two trade associations, the National Association of Industrial Security Companies,³⁷ and the National Association of the Persons and Associations Performing Protective Activities.³⁸ These associations were established to undertake lobbying and public relations work on behalf of an industry whose image had been seriously damaged during the 1990s by accusations of their involvement with organised criminal structures. Both associations are members of larger trade associations, such as the Employers Association of Bulgaria. The National Association of Industrial Security Companies (NAISC) has 29 members employing 13,000 individuals. In their Code of Ethical Conduct the NAISC members pledge to adhere to all rules and norms set by the existing laws in the country. They pledge to sign contracts that are in accordance with such laws, to cooperate with the police, to provide only those security services for which they have been licensed by the police, to provide the highest quality service to their clients, to ensure that their employees are exemplary citizens and to report to the NAISC board or to the media unethical or unlawful conduct by other security companies.

6 Conclusion and recommendations

According to the Bulgarian Mol, the number of companies that claim to offer security services is gradually increasing, but the number of operators is likely to eventually level off as the market appears to be reaching saturation point. It is more likely that existing firms will consolidate into fewer, larger companies in the near future. The demand for the PSC industry is, however, likely to increase as the use of company security, particularly CCTV cameras and burglar alarms, is becoming increasingly common. While the industry had a deserved bad reputation in the 1990s, there are significant indications that it is making steps to clean up its act by both improving the quality of the services it provides and introducing an element of self-regulation. These industry initiatives have been supplemented by increased oversight activity on the part of the government and its institutions from the late 1990s onwards. Salaries are also reported to be on the rise, which may have additional benefits in terms of professionalism and the quality of staff recruited.³⁹

However, concerns still exist, especially with regard to the occasional excessive use of force and the illegal use of firearms by PSC employees. Further, organised criminal structures may maintain a degree of influence on some PSCs. The strong political links of some in the industry are also a potential cause for concern since it may undermine efforts at regulation. Additionally there are indications that the salaries of the private security sector personnel are not high enough to secure high professional standards. An increase in their salaries might help to surpass any tendencies towards corruption that could still exist. It is also disturbing that prosecutions of PSCs for legal violations only appear to have occurred as a result of media pressure.

Finally, the development of a private military sector in Bulgaria is a reflection of the growing global trend towards the use of PSCs and PMCs instead of the conventional military. If it continues, Bulgaria should consider regulating the provision of military services for export in much the same way that weapon exports are regulated. However, the development of the industry is generally positive with a gradual increase in professionalism. As such Bulgaria is an example to other countries in the region that it is relatively easy to reform the industry through improved regulation and oversight. It is important though to say that the situation in Bulgaria needs to be monitored in order to ensure that these positive steps are well concretised.

³⁶ Angarev P, 'The Police Checks on Security Companies', *Dnevnik*, 13 June 2005.

³⁷ <http://www.naftso.org/en/index.htm>.

³⁸ <http://www.nalsicod-bg.com/>.

³⁹ Correspondence with Snejana Maleeva, Mol, 26 July 2005.



6.1 Main recommendations

- Although the laws governing PSCs currently require companies to be licensed, the legal framework should be strengthened so that background checks and licensing for individual guards is also required.
- 'Self-guarding' units in private companies should also be subject to licensing.
- The use of military-style weapons should be phased out.
- The regulatory authorities should be more proactive in investigating complaints against PSC firms and ensuring that effective action is taken against operators proven to have indulged in malpractice.
- The content and delivery of the training curriculum currently used to educate private security guards should be re-examined to ensure that sufficient emphasis is placed on the minimal use of force and firearms in accordance with international standards. Given that PSC personnel have most often misused force against the Roma community in the past, the training curricula should cover minority-policing issues. Consideration should be given to re-training serving PSC personnel.
- The National Police Service should discontinue its rapid response service, which is likely to hinder cooperation with private security providers and drain resources from routine policing.
- The MoI should establish its envisaged Single Automatic Central Register of PSC guards and SALW as soon as possible.
- Bulgaria should consider regulating those PMCs that are based in, or recruit in the country. It should also work with other European countries in establishing common European criteria through which these firms can operate.
- Private security guards whose work in the sector predates the introduction of legal requirements for training should be required to undergo the same training as new recruits to the industry.
- Support should be provided to existing institutions such as the Ombudsman and parliamentary committees, to enhance their ability to provide effective external oversight of the sector.





Croatia

1 Background to the privatization of security

The Republic of Croatia became independent of the former Socialist Republic of Yugoslavia in 1991 after a bloody conflict that pitted Croats first against Yugoslav, and later Serbian and Bosnian forces. Many thousands were killed and forcibly displaced before the end of conflict in 1995. A decade after the wars that accompanied the break-up of Yugoslavia, Croatia is now a stable country whose citizens have seen a normalisation and development process second only to that of Slovenia among former SFRY states.



Euro-Atlantic integration and socio-economic development are now the country's key concerns, though a number of areas such as refugee return, minority rights, judicial reform, the prosecution of war criminals and media freedom require continuing attention if the country is to meet its target for EU accession in 2007.¹ NATO membership is the country's second foreign policy priority. Under the Partnership for Peace (PfP), Croatia has prepared a draft plan for military downsizing that will see a 17,000 reduction of military personnel to 25,000 by the end of 2005.² The Croatian police have also been a key target for reform given the militarization experienced by the service in the course of the 1991 - 1995 conflict. Police reform programmes have been funded or overseen by EU governments, the Organisation for Security and Cooperation in Europe (OSCE) and the International Criminal Investigative Assistance Training Program (ICITAP).³

The current private security industry in Croatia dates from 1991 with the reintroduction of capitalism and private ownership.⁴ During the communist period (1945 - 1990), when only state ownership existed, protection services were almost exclusively provided by the police. Since the reintroduction of the market economy, outsourcing of protection has increasingly become the norm with most of the protection services for businesses and institutions being taken over by PSCs.⁵

As of February 2005, it is estimated that there are between 160 and 180 registered PSCs of all types, only half of which are operating.⁶ In 2001 there were 12,000 licensed security guards and agents. This number included PSCs' staff and personnel who were employees of other companies' own internal guard services.⁷ As of February 2005, estimates of the number of licensed security guards and agents in Croatia range from 12,000 to



Close Protection Team, Sokol Maric, 2005

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¹ South Eastern Europe Small Arms and Light Weapons Monitor, 2005, UNDP, June 2005.

² Statement by Vice Skracic, Head of Section for Arms Control and Disarmament, First Committee, UN General Assembly Fifty-Seventh Session, 03 October 2002. According to a public statement by the Assistant Defence Minister, 3,089 active military staff were laid off in 2004. 'Croatian Government Announces Further Army Reforms', *South East European Times*, HRT, 09 November 2004.

³ OSCE assistance includes sponsoring exchange visits for Croatian police personnel to EU countries 'OSCE Mission sponsors a visit by Croatian police to Federal State of Saxony-Anhalt in Germany', *OSCE Mission to Croatia News in Brief*, 13 - 26 October 2004, and supporting community policing projects in towns such as Vukovar, *Newsletter of the OSCE Mission to Croatia*, No 116, Winter 2004 - 2005. For its part ICITAP concentrates heavily on training for officers, including on firearms safety. <http://www.usdoj.gov/criminal/icitap/croatia.html> accessed 04 May 2005.

⁴ The privatization of security in Croatia has a long and complex history involving the emergence of militias, village guards, émigré and mercenary groups as well as private military and security companies. A detailed account is provided in Vankovska B 'Privatization of Security and Security Sector Reform in Croatia', in *Security Sector Reform: The Challenges and Opportunities of the Privatization of Security*, Eds Lilly and von Tangen Page, International Alert, London, 2002, p 65 - 75.

⁵ Interview, Đurica Franjo, Director, 'Sigurnost Franjo K.D.' (Private Security Company), Zagreb, 08 February 2005; Interview, Neven Martić, General Manager, 'AKD-Zaštita d.o.o.' (Private Security Company), Zagreb, 15 February 2005.

⁶ Interview, Frano Marušić, Vice-President, Council of the Association of Detective and Private Security Sector, and also Director, 'Tehnozavod-Marušić' (Private Security Company - Technical Surveillance), Zagreb, 16 February 2005; Interview, Ankica Vrbanc, President, Association of Security Services (with Croatian Employers' Association), and also Director, 'Zagreb-Štit Vrbanc' (Private Security Company), Zagreb, 17 February 2005; Op cit Franjo.

⁷ Kričančić M and Delišimunović D, *Zaštita i sigurnost finansijskih institucija. Priručnik za zaštitu banaka i drugih finansijskih institucija*, Tectus, Zagreb, 2001.



15,000.⁸ The largest firms in Croatia are currently AKD-Zaštita, Sokol Marić, Zvonimir Security, Borbaš Security, Zagreb and Štit Vrbanc. Only two of these firms have more than 1,000 staff: Sokol Marić (1,600) and AKD-Zaštita (1,200). A second tier of five companies have around 500 staff, another five 200-300, with the rest employing less than 100 each.⁹ Many of these firms employ only a few dozen employees and some have as few as four. Zagreb, being the capital of the country and seat of many important institutions and businesses that use PSC services, is the region where most PSCs operate. Some 60 percent of personnel in the sector operate in Zagreb. Slavonia, being Croatia's least developed region, has the least coverage.

The vast majority of contemporary PSCs in Croatia were established after 1991. Nevertheless, a small number of companies do claim continuity from the communist era. Prior to 1990 there were several state-owned security 'companies' that performed rudimentary physical protection services for other state-owned 'companies'. Examples include the company Tehnozavod-Marušić d.d of Zagreb which claims to have been established in 1970,¹⁰ and Protect, Rijeka, tracing its origins back to 1964 as Sigurnost. These companies were privatised in the course of transition (Protect was privatised in 1992).

Most firms are now privately owned, but there is also a state owned company, AKD-Zaštita. Ownership is still overwhelmingly national though, with international firms tending to have only minor facility service contracts (cleaning, maintenance etc). This is largely a result of a law dating from 1996, which effectively prohibited foreign firms from operating in the country.¹¹ The new law of 2003 regulating the private security sector allows internationally owned PSCs to operate in Croatia (see below). For the past few years the sector has been expanding at around 10% per annum – in 2001, there were 105 licensed PSCs¹²; by January 2003 the number had risen to 114 PSCs.¹³ Therefore, provided the Croatian economy continues to grow, the PSC sector can reasonably be expected to grow with it.



Convoy Protection,
AKD - Zastita d.o.o, 2005

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2 Contemporary security threats

In the late 1990s crime levels in Croatia – especially those crimes that PSCs are intended to protect against – were low. For example during that period Croatia had the lowest burglary rate and the second lowest robbery rates among 20 transition countries in Central and Eastern Europe. Though rising, crime levels remain relatively low for the region; MOI statistics for 2004 show a total of 981 armed crimes including only 66 murders or attempted murders.¹⁴ Yet by the end of 2004, the Croatian media were reporting an upsurge in the demand for protection and security services. One of the main factors behind the growing demand was the increasing cash flow generated by a consumer boom and a corresponding growth in the number of chain store robberies, (some stores stated publicly that they would increase the number of guards they used by 50 percent).¹⁵

Against this backdrop, the call for private protection services grew rapidly. At one point PSCs were reporting that the demand for their services outstripped their capacity by a significant margin.¹⁶ It is impossible to say whether

⁸ Op cit Marušić.

⁹ Op cit Martić.

¹⁰ 'Tehnozavod-Marušić K.D,' CroatiaBiz, http://www.croatiabiz.com/poslovni_imenik/members.php?ID=1844&lang=hr, 25 February 2005.

¹¹ One of the most important differences between the new and old laws governing PSCs (see below), is that under the old law PSCs had to be organized either as publicly owned companies (i.e. state-owned) or as a private company of persons (where the company's legal existence is not separated from the persons who own the company). As a result, foreign capital could not enter the sector directly and openly, but only via intermediaries.

¹² Op cit Kričančić M and Delišimunović D.

¹³ 'Zaštitari protiv monopola 'Zaštite'. *Slobodna Dalmacija*, Croatian daily newspaper. 20 January 2003.

¹⁴ Correspondence obtained via the Croatian National Focal Point for SALW on 18 March 2005, from Mr Zlatko Mehun, Spokesperson for the Croatian Ministry of Interior.

¹⁵ Op cit Martić.

¹⁶ Bratolja Martinović L, 'Zaštitari i alarmi najtraženija roba', *Novi List*, 22 December 2004.



the growth in commercial activity or an increase in security threats was the main factor driving demand for PSCs at this time. Additional factors were also in play. For example the sector received an additional boost in 2003 when it was made mandatory for financial institutions such as banks and *bureaus de change* to employ physical and technical protection when transporting money and valuables, services normally performed by PSCs.¹⁷ It is also now routine for insurance companies to give lower premiums to businesses that employ PSCs to protect their premises and goods, which obviously provides the industry with an additional spur.¹⁸

The increased use of PSCs appears to have had mixed effects. Crime rates for certain offences do appear to have dropped because of the increased use of protection, surveillance and PSCs. For example, petrol stations, which were experiencing daily attacks in the recent past, are no longer subject to criminal attack having introduced protective measures (surveillance, central alarm systems, delayed action safes etc).¹⁹ However, overall levels of crime in Croatia are on the rise. The occurrence of some other types of crimes – especially violent crimes like armed robbery – appears to be on the rise. With guards and agents and alarms in place, simple theft and burglary have given way to armed robbery, which is now becoming a standard crime against financial institutions.²⁰



Physical Security for Cash in Transit,
Sokol Maric, 2005

Copyright © Sokol Maric, 2005

3 Services provided by security companies

The types of clients listed in the promotional material produced by Croatian PSCs include variously: government institutions and offices, museums and other cultural institutions, banks, betting shops, chain stores, shops and businesses dealing with valuable goods (goldsmiths, jewellers, watch shops, electronic shops and expensive clothing shops), corporation headquarters, politicians and a few other public figures. The service most commonly offered by PSCs is that of physical protection by guards, physical entry and access control and technical surveillance and protection. Another very common service is securing cash and valuables during transportation (using armoured vehicles). Technical surveillance services, in which anti-burglar, anti-hold-up, alarm and fire prevention systems are connected to central monitoring systems, are also available. Rapid response teams are also on offer and PSCs are obliged by law to have a rapid response team if they maintain a centralized monitoring service. Close protection is seldom offered by the private security sector in Croatia and usage tends to be short-term (e.g. for a wedding), or very rarely, as in the case of a well-known bank director and a media tycoon, in response to actual physical attack.²¹



CCTV Surveillance Monitoring, Zvonimir Security k.d, 2005

Copyright © Zvonimir Security, 2005

There is in addition an illegal market for surveillance and eavesdropping devices, bought and used by private citizens and companies. For example, the management of some transportation companies are known to monitor the mobile phone conversations of their lorry drivers because of a fear that staff may be involved in smuggling. It is not known whether PSCs offer such illegal services, and no media reports have appeared on the subject. In Croatia, eavesdropping is forbidden by law and may only be carried out by police and state intelligence/security services, provided that there is a warrant issued by the court.²²

¹⁷ Minimal Protection Measures in Operations Involving Cash and Valuables Act of 2003 (Zakon o minimalnim mjerama zaštite u poslovanju s gotovim novcem i vrijednostima), *Narodne Novine*, 173/2003, 31 October 2003.

¹⁸ Op cit Franjo, Vrbanc; Interview, Darko Starčević, Legal and Development Adviser, 'Zagreb-Štit Vrbanc' (Private Security Company); Zagreb, 17 February 2005.

¹⁹ Op cit Martić.

²⁰ Op cit Franjo, Starčević.

²¹ Adriatic Security – Zadar. 'Referentna lista'. <http://www.adriatic-security.com>; Gradska sigurnost – Split. 'Naši klijenti'. <http://www.gradska-sigurnost.hr>; Sokol Maric Security – Zagreb. 'About us'. http://www.sokol-maric.hr/english/about_us.htm; Op cit Franjo, Martić.

²² Interview with anonymous source, formerly of Mol.



4 Affiliations between PSCs and other sectors

4.1 Security sector affiliations

Informal connections between the police and private security industry appear to be common in Croatia, with owners, Chief Executive Officers (CEO) and senior PSC staff frequently coming from a police background.²³ One PSC director interviewed for this research noted that this is almost inevitable, since the industry attracts people with such a background.²⁴ Interestingly however, the military as an institution appears to have little to do with PSCs in Croatia, and in contrast to the immediate post-war years, very few former military personnel are nowadays engaged in the private security sector, either as owners or staff.

Informal connections between business, politics and the security industries are of course to be expected in small transition societies where elites constantly switch between the private and public sector. The notable career of Croatian President Stipe Mesic's National Security Adviser, who moved between government and the private sector four times in almost as many years, illustrates the point well.²⁵



Copyright © Zvonimir Security, 2001

Close Protection Team, Zvonimir Security k.d, 2001

More striking perhaps than any informal links between the security sector and private security industry in Croatia is the possibility of rivalry between the police and PSCs. The Croatian police service, having expanded greatly to take on a national defence role during the 'Homeland War' of 1991 - 1995, has since seen gradual lay-offs intended to eliminate surplus manpower and return the service to a peace-time role.²⁶ The progressive downsizing of the service has corresponded with the expansion of the PSC sector, which has taken on some functions previously carried out by the police. During interviews for this research, some antagonism was detected between staff from the public and private security sectors, and the impression was given that at least some police personnel resent the loss of their former monopoly on security and see the increase in demand for PSCs' services as a cause of police job losses.

4.2 Ethnic affiliations

There are no real indications of ethnicity being an issue in Croatia, either in PSC conduct or formation. It should be noted of course that a large section of the Republic's minority population was either expelled or fled during the 1991-1995 conflict, thereby in a sense reducing the significance of ethnic questions.²⁷ During interviews

²³ Op cit Vrbanc, Starčević.

²⁴ Op cit Martić.

²⁵ One of the founders of the HDZ (ruling party in Croatia 1990 - 2000, and from 2003 onwards) became the Zagreb Chief of Police in the early nineties. After a brief spell in the private sector, he served from 1999 - 2000 as Chief of Staff in the election campaign of future President Stipe Mesic. In 2000, he became the President's National Security Adviser and Head of the Office for National Security. After two years he resigned from this post and set up a private security (and allegedly business intelligence) company that soon won a major contract with the biggest Croatian media corporation. In 2004, he became Director of the Counterintelligence Agency (Protuobavještajna agencija, POA), switching for the fourth time between state and private business. Lušić B and Pavelić N, 'Šef UNS-a Karamarko postaje šef tehničke zaštite u Pavičevu EPH?' *Slobodna Dalmacija*, 28 February 2002; Peratović Ž, 'Saborski odbor dao pozitivno mišljenje o Karamarku,' *Vjesnik*, 15 December 2004; Mesic S, 'Dobit ćemo uvjetovani datum početka pregovora s EU', <http://www.stipemesic.net/indexd1.php?id=4>, 15 December 2004.

²⁶ State-owned AKD-Zaštita was meant to be the solution for 'surplus' police personnel, but this was only partially achieved. Op cit Franjo, Martić, Vrbanc, Starčević.

²⁷ From August to November 1995, hundreds of thousands of ethnic Serbs resident in Croatia were expelled or fled during and after 'Operation Storm', in which the Croatian Army gained control of western Slavonia and Krajina. Estimates of the total number of displaced ethnic Serbs vary, with some commentators claiming that Croatia's pre-war ethnic Serb population fell by around half. The US-based NGO Human Rights Watch puts the figure at approximately 150,000 in 'Second Class Citizens, the Serbs of Croatia', Volume 11, No 3, March 1999, <http://www.hrw.org/reports/1999/croatia/>. The International Criminal Tribunal For the Former Yugoslavia estimates that between 150,000 and 200,000 Serbs were deported or displaced. See ICTY Case No. IT-01-45-I, The Prosecutor of the Tribunal Against Ante Gotovina, Indictment, <http://www.un.org/icty/indictment/english/got-ii010608e.htm>; also Vankovska B 'Privatization of Security and Security Sector Reform in Croatia', in *Security Sector Reform: The Challenges and Opportunities of the Privatization of Security*, Eds Lilly and von Tangen Page, (International Alert, London: 2002), p 58.



however, the impression was also gained that the industry is sufficiently mature for ethnicity to play little part in the work of PSCs who appear focussed on profit more than anything else.²⁸ The research was not comprehensive enough to consider the effects in terms of ethnic composition of the industry that the requirement for all PSC staff to read latin script (introduced as part of the Private Security Act) has had in areas still populated by ethnic Serbs.²⁹ In countries with ethnic minorities, the ideal situation is probably that PSC staff be well-versed both in the local script – to enable them to communicate effectively with local people – and any national script, to allow for effective communication with other state agencies, regardless of their place of work.

4.3 Political affiliations

With part of the sector government-owned (see above), formal links between companies and the state obviously exist. The best example of this is the position of the Deputy Minister of the Interior who serves on the board of the state-owned security company AKD-Zaštita.³⁰

Reference to informal (and inappropriate) links between PSCs and the political sphere have been made in a previous report on the privatization of security in Croatia, which claimed that ‘...competition between firms is not based on professionalism, but on various forms of personal and even political nepotism. There is evidence that people get their licences to operate because of their close relationship with politicians or their party membership’. While this may be the case, no legally proven case of such malpractice could be found on record during this research.³¹ This has not prevented allegations emerging, including those from inside the sector itself – several privately owned PSCs complain that the state-owned firm AKD-Zaštita is in a privileged position on the market, getting the best contracts for the protection of government institutions (e.g. ministries, government offices etc).

Another potential area for links between PSCs and the political sphere arises with the apparently regular practice of PSCs making financial contributions to election campaigns in the hope of political favours.³² If PSCs that provided campaign funds were subsequently awarded contracts following the success of a political party, procurement procedures would obviously be called into question. Once again, there is no hard evidence that such contributions have given PSCs undue influence. While most political systems do not prohibit donations from particular economic sectors, cases have come to light elsewhere of PSCs apparently obtaining undue influence in this way.³³ This issue may warrant special attention in a country that faced significant challenges establishing control over politically connected paramilitary groups in a post-war context.

A final area in which PSCs have been suspected of being too closely linked with the political process involves the use of PSCs during election rallies. In one hotly debated case, two factions within the HDZ party disputed the use made by one side of staff of Borbaš security at the 2002 party congress, with allegations being made by their opponents that security guards, (who wore plain clothes in contravention of the law), were used for intimidation.³⁴ There are however no similar cases on record.

²⁸ Op cit Franjo, Martić, Starčević.

²⁹ The use of Latin or Cyrillic scripts is one of the main defining features of ethnic-Croat and ethnic-Serbs in Croatia.

³⁰ The Croatian Mol is at pains to stress that even though the AKD-Zaštita security company is state-owned, and that the president of the supervisory board is Minister's Assistant of the Ministry of the Interior, there is no influence on the professionalism of the mentioned company, since this appointment is for oversight purposes with contracts being awarded competitively. Correspondence with Drazen Krtanjek, Head of Cabinet, Ministry of Interior, 26 July 2005.

³¹ Op cit Martić, Vrbanc, Starčević.

³² Op cit Martić, Starčević.

³³ Lobbying and political campaign donations on the part of PSCs have been shown to have a bearing on the awarding of contracts in the US. One source estimates that only 40 per cent of US DOD contracts between financial years 1998 and 2003 were awarded on the basis of ‘full and open competition’. Isenberg, D, ‘Security for Sale in Afghanistan’, Asia Times Online, 04 January 2003, URL <http://www.atimes.com>. The International Consortium of Investigative Journalists (ICIJ) estimates that private contractors in Iraq donated more than \$500,000 to George W. Bush's 2004 presidential campaign. See ‘Windfalls of War’, URL <http://www.publicintegrity.org/icij>.

³⁴ Two years later, during a local election campaign, and apparently alluding to the circumstances of the HDZ 2002 congress, some political parties accused HDZ of introducing ‘Borbaš-democracy’. Drago H ‘Josi Škari su prijeli likvidacijom djece,’ Feral Tribune, 04 May 2002; Ljubičić M, ‘SDP-HNS-Libra: S HDZ-om se na velika vrata vraća ‘Borbaš’ demokracija,’ Vjesnik, 16 January 2004.



4.4 Organised crime affiliations

Following the emergence of the private security sector in Croatia in the early nineties, cases came to light in which known criminals (including former combatants) were found to be working for PSCs. With the end of the war (1991 - 1995) and with the introduction of the first legislation regulating the sector in 1996, such cases began to occur far less frequently.³⁵ Interviews carried out for this research indicate that in a few cases PSCs have continued to serve as a cover for racketeering. In one reported case, which is not believed to be isolated, the owner of a vehicle repair shop was approached by a certain PSC and told that he needed protection. The owner declined, and next morning the cars in his shop were found damaged. It has also been alleged that some organized crime groups are trying to legalize their operations through becoming PSCs.³⁶ For its part the Croatian Ministry of Interior (Mol) stresses that action has been taken in all cases where there is a suspicion of illegal conduct either by individuals applying for PSC licences or companies conducting such business and that no information is on record concerning the misuse of PSCs by organised criminal gangs.³⁷ Certainly the regulatory authorities should continue to monitor PSCs on an ongoing basis, but further research may be required to determine the extent of this problem.

5 Regulation and conduct

5.1 Legal basis for control of PSCs

As of 30 December 2004 there were 64 laws and 68 regulations governing the operations of PSCs. The key legal instruments are listed below:

- There is a special law regulating the private security sector: *Private Protection Act* of 22 April 2003.³⁸
- The previous legislation regulating this sector was the *Protection of Persons and Property Act* of 8 October 1996.³⁹

There are also dozens of bylaws regulating specific aspects of the private security sector and work of PSCs and related institutions. The most important of these are:

- *Education, Training and Professional Examination of Private Security Agents and Guards Regulation* of 26 July 2004, (for physical protection positions).⁴⁰
- *Conditions, Ways of Examination, and Program of the Professional Examinations for Private Security Agents-Technicians Regulation* of 18 November 2004, (for technical surveillance positions).⁴¹
- *Ways of Establishing General and Specific Health Ability of Guards and Private Security Agents Regulation* of 24 March 2004.⁴²
- *Physical Protection Regulation* of 7 November 1997.⁴³
- *Technical Protection Regulation* of 2003.⁴⁴
- *Private Security Guard and Private Security Agent Identity Card Regulation* of December 2003.⁴⁵

³⁵ Correspondence, Professor Ozren Zunec, University of Zagreb, 22 February 2005.

³⁶ Interview, PSC owner, February 2005.

³⁷ Correspondence with Drazen Krtanjek, Head of Cabinet, Ministry of Interior, 26 July 2005.

³⁸ 'Zakon o privatnoj zaštiti,' *Narodne Novine* 68/2003.

³⁹ 'Zakon o zaštiti osoba i imovine,' *Narodne Novine*, 83/1996.

⁴⁰ 'Pravilnik o izobrazbi i stručnom ispitu za zaštitare i čuvare,' *Narodne Novine* 103/2004.

⁴¹ 'Pravilnik o uvjetima i načinu polaganja te programu stručnog ispita za zaštitara – tehničara,' *Narodne Novine*, 161/2004.

⁴² 'Pravilnik o načinu utvrđivanja opće i posebne zdravstvene sposobnosti čuvara i zaštitara u privatnoj zaštiti,' *Narodne Novine* 38/2004.

⁴³ 'Pravilnik o obavljanju poslova tjelesne zaštite,' *Narodne Novine*, 119/1997.

⁴⁴ 'Pravilnik o uvjetima i načinima provedbe tehničke zaštite,' *Narodne Novine*, 198/2003.

⁴⁵ 'Pravilnik o čuvarskoj i zaštitarskoj iskaznici,' *Narodne Novine*, 202/2003.



- *Documentation and Evidence of Weapons and Ammunition Regulation of 1999.*⁴⁶
- *Spatial and Technical Conditions of the Private Security and Private Detective Company's Premises Regulation of 1997.*⁴⁷
- There is a law that stipulates mandatory protection/security measures in financial institutions, a service normally provided by PSCs: *Minimal Protection Measures in Operations Involving Cash and Valuables Act*, of 31 October 2003.⁴⁸

The key ramifications of these laws are discussed in the following sections. It is however worth noting that some of the byelaws that apply to PSCs are not in compliance with the Private Protection Act of 2003, but in compliance with the old Protection of Persons and Property Act of 1996, leaving the legal framework unclear or contradictory in places.⁴⁹

5.2 Use of force and firearms

Some PSCs in Croatia are armed. The company must own these weapons and the use of private weapons by security guards when on duty is forbidden.⁵⁰ There are two types of PSC personnel: guards (lower ranking) and private security agents (higher rank). Guards are not allowed to carry firearms, but private security agents are.⁵¹ Private security guards can be armed only if they are authorized to carry arms according to the *Firearms Act* (general regulation).⁵²

Private security agents can use only small arms (pistols and revolvers), of calibre 9 mm or greater.⁵³ Military weapons are not allowed. They can also use dogs and physical force. There are several restrictions on the use of firearms, dogs, physical force, and other procedures. Private security agents can be armed, but only in the following circumstances: 1) if protecting financial institutions; 2) if serving as bodyguards; 3) if protecting objects containing radioactive material and other harmful substances; 4) if protecting money that is being transported; or 5) if protecting national defence facilities/objects.⁵⁴

On the premises that they protect, private security guards and agents are allowed to do the following:

- a) Check the identity of the person entering/exiting the premises;
- b) Give warnings;
- c) Temporarily halt persons only if they are about to commit a crime if this is necessary for apprehending the person or if this is necessary for securing the crime scene, witnesses and similar;
- d) Search persons, vehicles and objects entering the facility they protect. The search of the person is limited to clothing and footwear (body cavities excluded). If the person refuses to be searched and if there is suspicion that he or she carries an object that could be used as evidence in penal procedures, the guard/agent can halt the person but must then call the police;
- e) Secure a crime scene or scene of other events before the police arrive;

⁴⁶ 'Pravilnik o obrascima isprava i načinu vođenja evidencija o oružju i streljivu,' *Narodne Novine* 118/1999; amended in 45/2001; 17/2002; 148/2002; 29/2003; 173/2003.

⁴⁷ 'Pravilnik o prostornim i tehničkim uvjetima koje mora ispunjavati prostor u kojem se obavlja zaštitarska ili detektivska djelatnost,' *Narodne Novine*, 40/1997; amended in 107/2002.

⁴⁸ 'Zakon o minimalnim mjerama zaštite u poslovanju s gotovim novcem i vrijednostima,' *Narodne Novine*, 173/2003.

⁴⁹ Op cit Starčević.

⁵⁰ 'Private Protection Act' ('Zakon o privatnoj zaštiti'), *Narodne Novine*, 68/2003, Article 40, Subsection 2.

⁵¹ Ibid, Article 40.

⁵² Ibid, Article 23/1.

⁵³ Ibid, Articles 41 - 42.

⁵⁴ Ibid, Article 40.



- f) Agents (not guards) can use dogs. There are restrictions of usage: dogs can be used only on protected premises and they cannot be used in open spaces. The only exception is the protection of natural sites, at which the dogs can be used in the open. Dogs can be used for attack/defence only if the conditions for the use of physical force or firearms exist;
- g) Use of physical force is limited to cases where there is a clear illegal assault on the agents or the persons they protect, or where an assault on the property they protect is underway. Under these circumstances force may be used if the commands or warnings of PSC staff are not obeyed, or if suspects attempt to escape; and
- h) Agents (not guards) can use firearms only if they are engaged in the protection of financial institutions, if they are serving as bodyguards (close protection) and in other circumstances described above. Agents may legally discharge their weapon only where there is no other way to protect persons and objects. Before firing, an agent must give two clear warnings that he intends to shoot if the person does not obey. If firing, the first round must be fired into the air. Firearms cannot be used against persons under the age of 18. If firing, agents must take care not to inflict lethal wounds and to inflict the least possible damage. If they have applied measures under points c, e, f, g and h above, agents must inform the responsible person in the PSC not later than eight hours after the measure has been applied. The responsible person must then inform the police in writing, not later than 24 hours after the measure has been applied. The police are then required to review the report, investigate the circumstances and decide whether the measures deployed were legal and justified.

Every PSC must have an armoury that conforms to certain specifications (e.g. it must be fireproof for several hours, be alarmed etc).⁵⁵ The MoI issues a register of weapons and ammunition to each workplace that is licensed to retain firearms. This is to be kept on the company premises. A similar register is required at the facilities, which PSCs have applied to guard using firearms, and on arrival and departure at the site, agents are required to sign in and out.⁵⁶

Although the evidence gathered during the course of this research did not point to any conclusive evidence that force or firearms are routinely being misused by personnel employed in the sector, one of the human rights organisations contacted knew of six or seven such cases as having been publicly reported during the past five years.⁵⁷ It appears however that in each of these cases, the guards or agents accused of excessive use of force were ultimately cleared.⁵⁸ When interviewed for this research report, the Association of Security Services complained that private security agents are not allowed to use weapons other than firearms. While wanting to retain the option to use firearms, they argued that the additional use of less-lethal weapons (sticks, electric shock devices etc.) would provide a better solution to the problems PSC staff face. The legal prohibition on PSC staff using handcuffs when apprehending a suspect was also commented on, and cited as counter-productive since it encourages the use of other, less 'elegant' methods of restraint by guards while they await the arrival of the police.⁵⁹



Security Guard,
AKD - Zastita d.o.o, 2005

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5.1 Oversight

A specialised 'Private Protection Sector' within the Inspectorate of the MoI conducts oversight of PSCs, including the registration and licensing of firms, licensing of guards and agents, registration of firearms and monitoring of

⁵⁵ 'Spatial and Technical Conditions of the Private Security and Private Detective Company's Premises Regulation' (Pravilnik o prostornim i tehničkim uvjetima koje mora ispunjavati prostor u kojem se obavlja zaštitarska ili detektivska djelatnost), *Narodne Novine*, 40/1997; amended in 107/2002.

⁵⁶ Op cit Martić.

⁵⁷ Interview, Neva Tölle, Co-ordinator, Autonomous Women's House Zagreb (Human rights group; inter alia maintaining a shelter for abused women). Zagreb, 14 February 2005. In contrast the interviewee from 'AKD-Zaštita', did not know of a single event where a firearm had been used by PSC staff in the last seven years. Op cit Martić.

⁵⁸ Op cit Franjo. Interview, Koraljka Dilić, Project Manager, Media Net Project, 'Zamir Net' (Human rights group), Zagreb, 09 February 2005.

⁵⁹ Op cit Vrbanc.



their conduct.⁶⁰ The oversight and control of the sector by the Mol appears to be strict and detailed. Companies are required to inform the Ministry about significant events, such as a search by a guard, within 24 hours. The Mol then decides if the action taken by the guard or agent was lawful and issues a decision.⁶¹ To be registered as a PSC in the first place, the company must fulfil the following requirements:

'The company must be registered with the Trade Court; the 'responsible person' of the company must be registered; a list of positions with responsibilities within the company must be established and registered; the company must have a registered trade mark (armoury); the design of uniforms of the employees must be registered; the company must have premises that fulfil requirements (inter alia, for storing weapons).'

To work for a security company one must live in Croatia, be above 18 years of age, have a college education, be in good health, have no criminal record for crimes that require mandatory prosecution, not be under criminal investigation or have been sentenced for petty offences (misdemeanours) involving violence in the last three years, pass a security background check by the state security agency, speak Croatian and be able to write in the Latin script.⁶² With the exception of those taking legal responsibility for the firm ('responsible persons') who are vetted by the state security agency, background checks for employees are carried out by the police.⁶³

There are a number of industry trade associations. For example in the Croatian Chamber of Commerce there is an Association of the Detective and Private Security Sector, membership of which is mandatory under law.⁶⁴ The Croatian Employers' Association also has an Association of Security Services with more limited membership. Other relevant industry bodies include the Private Protection Guild and the Trade Union of Private Protection Personnel. The industry has not however agreed on any codes of conduct, though members of the Association of Detective and Private Security Sector debated the idea in the past.⁶⁵

5.2 Professionalism and training

The law requires that PSC personnel must undergo training and pass an exam in an authorised institution.⁶⁶ However, persons formally employed by the police, military police, state security services, former court and prison guards and prosecution officers are exempt from the exam provided they have three years' work experience.⁶⁷ There is a twin-track system of education for private security agents and private security technicians. Firstly, if a candidate does not have a secondary school education, he/she must first complete his schooling – three years being required for agents, and four years for technicians. Three specialised schools offer a programme for PSC staff, in Zagreb, Pula and Rijeka.⁶⁸ Alternatively, candidates who have already obtained a secondary school education need only undergo short courses of 40 hours in the case of guards and 80 hours for agents.⁶⁹ Training courses are designed to reflect the legal requirements detailed above, and trainees are therefore taught to apply minimum force, and provide medical assistance if injuries have been inflicted during their work.⁷⁰

⁶⁰ Op cit Private Protection Act, Articles 55 - 57.

⁶¹ Ibid, Articles 41 - 43.

⁶² Ibid, Article 18.

⁶³ Ibid, Article 18/4, 20/4, 'Ways of Establishing General and Specific Health Ability of Guards and Private Security Agents Regulation' (Pravilnik o načinu utvrđivanja opće i posebne zdravstvene sposobnosti čuvara i zaštitara u privatnoj zaštiti), *Narodne Novine*, 38/2004, 24 March 2004.

⁶⁴ Op cit Martić, Marušić, Vrbanc.

⁶⁵ Op cit Martić.

⁶⁶ Op cit Private Protection Act, Article 18/4, 20/4; 'Ways of Establishing General and Specific Health Ability of Guards and Private Security Agents Regulation,' 2004.

⁶⁷ Op cit Private Protection Act, Article 21.

⁶⁸ D Vodič kroz zanimanja, elektronsko izdanje. 'Zaštitari osoba i imovine'. <http://mrav.ffzg.hr/zanimanja/book/part2/node3704.htm>.

⁶⁹ Op cit Franjo.

⁷⁰ Op cit Franjo and Martić.



6 Conclusion and recommendations

The industry in Croatia seems to be well-regulated and undergoing a process of steady expansion as the economy improves. The industry will probably professionalise further as it is highly likely that international security companies will enter this market due to recent legal changes.

There are however a number of concerns. These principally revolve around two issues. Firstly, there is the perception of competition between the public security sector (the police and a state-owned security company) and the private security sector. Such competition can sour relations between the two parts of the sector and could undermine strong professional working relationships. Secondly, there have emerged a number of allegations of connections between a minority of PSCs and organised crime. While it has not been possible to verify these allegations this is an area of some concern that needs to be addressed by both regulatory bodies and the industry itself – self-regulation could play a particularly important role in improving the reputation of the industry as a whole.

6.1 Main recommendations

- The current legal framework should be rationalised so as to bring old or problematic laws into line with the Private Protection Act of 2003.
- Consideration should be given to monitoring selected PSCs on the basis of risk profiling, to minimise the danger of PSCs being misused by organised crime syndicates in future.
- Consideration should be given to the possibility of prohibiting security companies from making political donations, and at a minimum, full transparency over donations should be required, and such practices closely monitored.
- The Mol and police should take steps to close down the burgeoning illegal surveillance market.
- The better-established PSCs should come together to agree a progressive code of conduct and promote its adoption throughout the industry. Government and clients should encourage this.
- Oversight should be improved by empowering parliamentary committees and an Ombudsman to scrutinise the conduct of PSCs and handle public complaints.



Macedonia¹

1 Background to the privatization of security

Through the 1990s while the neighbouring former republics of the Socialist Federal Republic of Yugoslavia were mired in conflict, the Former Yugoslav Republic of Macedonia (hereafter Macedonia) was a relative bastion of calm, much vaunted by the international community for its stability. By 1999 however, the pressures created by conflict in Kosovo exacerbated tensions between Macedonia's two major communities – ethnic Macedonians and ethnic Albanians – to the point where armed conflict occurred in 2001. A set of common factors were apparent as underlying causes of this conflict, most of them common to Macedonia's western neighbours. These included a poorly functioning economy, links between politics and the criminal underworld, social division and political exclusion, particularly of the ethnic Albanian community. Nevertheless, a massive influx of ethnic Albanian refugees and the fighting in Kosovo itself were the primary triggers for violent responses from ethnic Macedonians and Albanians respectively. In one respect at least the connection between the conflicts in Macedonia and Kosovo was highly direct – many of the recruits who joined the main rebel faction in Macedonia, the National Liberation Army, were actually ex-KLA fighters.² The conflict between the Government of Macedonia and the main rebel group, the NLA was minor by regional standards, leading to some 70 deaths and 170,000 displaced persons in seven months. As in other parts of the region, the ready availability of SALW facilitated the resort to violence.³



Fresh from an intervention in Kosovo, the international community became quickly engaged in the Macedonian conflict, brokering a comprehensive peace agreement in August 2001 – the Framework Agreement – that sought to address the underlying causes of conflict and reconstitute Macedonia as a truly multi-ethnic state.⁴ Despite ongoing difficulties, the implementation of the Agreement has progressed, and Macedonia's prospects have improved greatly since 2001 with a remarkable turnaround in the quality of governance. Meanwhile the continued presence of international peacekeepers and monitors, first NATO and then the EU, serves as a guarantee of security and a confidence-building measure to marginalised groups.

Progress at the macro level is nevertheless offset by difficulties on the ground and the security situation remains difficult in places. At community level in some areas, ethnic division spills over into low-level cleansing, and population transfers have been taking place, particularly in the border areas. As a result, segregation and mistrust has grown in some parts of the country, despite the existence of a national level peace agreement. The country's numerous security forces have not, at least until recently, enjoyed the complete public trust, and several security agencies have required reform or dissolution, including: the 'Tigers' – a special anti-terrorist police unit charged with combating organised crime; the 'Lions' – an extremely controversial paramilitary formation of reserve police closely linked to the VMRO government during the 2001 crisis; and some tens of thousands of police reservists, now demobilised. One of the ways this situation has been addressed is through the deployment of a multi-ethnic police (MEP), created and trained with the backing of the OSCE and the European Agency for Reconstruction (EAR).

There are presently between 55 and 60 registered private security providers in Macedonia although not all are active. Some 3,000 - 6,000 individuals are licensed to work as security guards although some are employed by firms or legal entities and provide security directly for the companies' personnel and installations rather

¹ The Former Yugoslav Republic of Macedonia.

² After the Ohrid Agreement and the de facto inclusion of the NLA into the legitimate political process in exchange for laying down arms, more extreme but ultimately less significant groups appeared, most notably the Albanian National Army (ANA – Armata Kombëtare Shqiptare (AKSh) in Albanian).

³ Reports also suggest that the availability of SALW was a source of tension in itself, with ethnic Macedonians perceiving Albanians as heavily armed, and ethnic Albanians resenting the arming of ethnic Macedonians by the state.

⁴ A highly technical document, among other things the Agreement made provisions for Albanian armed groups to surrender weapons to NATO peacekeepers, and the Macedonian Government to institute a process of decentralization, recognising Albanian language educational institutions and establishing proportionate representation in government.



than to external clients.⁵ All PSCs operating in Macedonia are locally owned and permitted to employ armed security guards. While the industry dates itself from around the attainment of independence, a large number of Macedonian PSCs are comparatively new, having been formed in the last couple of years during a period of growing insecurity. The PSC MBI, founded in 1994, claims to be the first Macedonian Private Security Agency. Several of the larger PSCs were established after MBI but before the 'Law on Security', adopted in 1999,⁶ which introduced legislation regulating the industry. The industry is presently going through a period of expansion as a result of a fear of crime and ethnic mistrust between the ethnic Macedonian population and the ethnic Albanian minority. The more prominent PSCs operating in Macedonia are:⁷

- Nikob Security, Skopje – founded in 1998 with more than 200 trained professionals working in their Guard Service;
- Bastion Security, Strumica – founded in 2000 with 10 employees, in 2003 employed 40 individuals in physical and technical security;
- Kometa No.1 Security, Skopje – founded in 1998, in 2003 employed 350 individuals;
- Piton Security & Detective Agency, Ohrid – founded in 2003, in 2003 employed 14 people who have Security Authorisation cards;
- Protekt Security, Bitola – founded in 1999, in 2003 employed 100 people, of which 55 have Security Authorisation Cards;
- Rote Security, Skopje – founded in 2003, in 2003 employed 20 employees;
- SMS Security, Kavadarci and Tetovo – founded in 2003, in 2003 employed 55 employees, from which 15 have obtained the Security Licence and 10 employees have Authorisation Cards for security worker;
- TIM Security, Skopje – founded in 2000 with 10 people;
- Nestor Garda Security, Strumica – founded in 2001, in 2003 employed 17 people; and
- MBI Security, Skopje – founded in 1994, approximately 50 employees.

As the above list demonstrates, there are comparatively few large PSCs in the country. According to the Macedonian Chamber of Security whose main responsibility is the registration and licensing of security guards, a good number of smaller firms such as Guard Security, Imperator Security, Konzul Security, Lupus Security, OSA Security and Professional PSN have less than ten employees. Although the law prohibits this, many firms are alleged to operate with less than five employees.⁸ In addition, some of the larger firms in Macedonia, (e.g. public utilities), have their own security departments. The guards employed by these departments are subject to the same controls as those employed by regular PSCs.



Company Badge, Sedmica, 2005

A number of the interviewees for this report mentioned that some of the smaller companies were struggling, suggesting that the market is currently going through a process of consolidation. If Macedonia opens its market up to international PSCs (as it will have to under EU accession criteria), it is likely that the process of rationalisation will accelerate. The existence of smaller PSCs

⁵ Macedonia's most recent report on implementation of the UN Programme of Action on SALW cites 55 registered security companies. *Macedonian Report on the Implementation of the POA*, p 11. Another estimate is given in Dejan Andonov in 'Do Security Agencies become Parallel Police?' *A1 News*, 13 February 2005.

⁶ Atansova F, *Physical Security*, Chamber of the Republic of Macedonia for Security of People and Property, Skopje, 2003.

⁷ Nikob Website <http://www.nikob.com.mk/default01En.asp>; Interview with EAR Security, 23 February 2005; Interview with Tihomir Nikolovski, Chairman of Chamber for Security of People and Property, 28 February 2005; op cit Atansova.

⁸ Op cit Tihomir Nikolovski.



may partly be a reflection of the segregated nature of Macedonian society, and this may also play its part in the operation of unregistered firms, as commented on by several interviewees. This problem is thought to be more pronounced in ethnic Albanian areas where the economy is less formalised, and parallel social services were established in recent times in an attempt to side-step an exclusionary state.

2 Contemporary security threats

Contemporary Macedonian society exhibits a number of factors that typically serve to drive growth in the private security sector including ethnic segregation, a history of recent conflict, rising rates of petty crime (particularly in Skopje) and relatively ineffective policing. Although official statistics point to a gradual rise in violent crime, unsolved and unreported crimes, of which there are many, must also be taken into account.

Table 1: Violent Crime in FYROM⁹

CRIME	1995	1998	2002
Homicide	73	108	133
Sex Offences	127	99	132
Rape	49	37	36
Aggravated Theft	9,040	11,116	8,370
Robbery/ Violent Theft	152	217	463

Although Macedonia is generally regarded as a transitional society that has moved beyond its conflict phase, serious crimes of a quasi-political nature - including kidnappings, bombings, murders and armed robbery - still occur intermittently in former crisis areas of the country with comparatively few prosecutions resulting. A good number of groups whose members previously acquired arms from the state, including party activists and self-defence units but also criminal gangs and ordinary citizens, continue to operate in the country.

A fractious political system and relatively weak state institutions only add to these difficulties. In Macedonia, adherence to a party reflects deep social affiliations, such as regional, family and clan loyalties, with parties playing a paternalistic role looking after their supporters. Though it is often assumed that the main division in the country is along ethnic lines, both the Macedonian and Albanian communities are equally divided within themselves, each represented by a number of parties that are constantly locked in bitter struggles with one another.¹⁰ With an immature private security sector operating in this context, those monitoring the sector should be vigilant in case PSCs come to serve the ends of political parties, particularly in case there should ever be a resumption of conflict. As past experience has shown, security in Macedonia depends on preventing the recurrence of past events such as conflict in Kosovo, weapons trafficking from Albania, and population displacement.

3 Services provided by Private Security Companies

The customer base for Macedonian PSCs includes foreign embassies and delegations, UN Agencies, manufacturing industry and the financial sector. Services currently being offered by the sector include guard service to the banking/finance industry, residential security, security at entertainment events, commercial security, industry/manufacturing security, healthcare security, escort services, local security and reception service. Several companies also offer a monitoring and alarm service, which includes mobile patrols, alarm systems, fire alarm/protection, CCTV/video monitoring, electronic article surveillance and access controls. They also offer transportation and cash handling services and consulting, security assessment and security planning. A very small segment of the market offers VIP or bodyguard services, and transport and protection of tourists or groups throughout country. Some companies also provide private detective services alongside their core business. This can include 'operative research services' – searching for missing people/objects, searching

⁹ International Crime Statistics, 1995, 1998 and 2002, Interpol.

¹⁰ *Macedonia: Guns, Policing and Ethnic Division*, Saferworld and Bonn International Center for Conversion, October 2003, p 16.



for perpetrators of crimes, searching for convicted or sentenced persons, finding proof for divorce/other legal procedures and revealing indemnity of a company/financial situation of an individual.¹¹ It is interesting to note that a significant number of companies who offer services are offering client protection in one form or another, suggesting that despite the relatively low levels of crime in the country the fear of crime (or other communities) seems relatively high.



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Security Guards, Lupus, 2005

4 Affiliation between PSCs and other sectors

4.1 Security sector affiliations

The majority of security guards employed by PSCs have a former police or military background. This can be explained by a number of factors. After the inter ethnic fighting in 2001, Macedonia went through a process of police restructuring which led to a number of redundancies amongst ethnic Macedonian policemen, which provided a pool of experienced security personnel for PSCs. Additional incentive for military and police personnel to join PSC is provided by the higher average wage in the private security sector. While the average salary for a junior policeman is just €100-€200 per month, the average salary for a junior private security guard is €200-300 per month. These former police/military personnel have a range of informal links with the state security structures. There are instances of more overt connections between state security structures and the private security sector. For example, the PSC 'Lupus Security' was alleged by one interviewee to be linked to former members of the Army's elite Special Forces unit, the 'Wolves', (hence the name 'Lupus', which means 'Wolf').¹² The preponderance of former state security personnel in the private security sector, while almost inevitable, is worrying due to the potential for the private security industry to become a 'third force'. The existence of any specific affiliations needs to be addressed with some concern. In contrast to several other countries in the region however, this research found no evidence of serving police officers working for PSCs while off-duty. (The Macedonian laws prohibit those who have worked for the security forces from taking up employment with PSCs for a minimum of two years after the termination of their employment).

4.2 Ethnic affiliations

Macedonian society is highly segregated, with clearly defined ethnic areas. As the private security industry tends to mirror the wider society where it operates, ethnic Albanian PSCs tend to operate in areas with an ethnic Albanian majority, while not in those with an ethnic Macedonian majority and vice versa. The Chamber for Security claims that, since the end of the 2001 crisis, three to four agencies owned and operated by ethnic Albanians have registered with the Ministry of Internal Affairs (MIA) for security work. There has also been a recent increase in the number of individuals from the ethnic Albanian community applying to take the State Examination for Security Workers. The Chairman of the Chamber views this as a positive development, since prior to the 2001 crisis the Chamber had no information on the PSCs owned or operated by ethnic Albanians.¹³ These developments could, however, also be interpreted as ethnic Albanians taking measures to ensure that they have their own armed guards and security providers.

There have also been allegations that some PSCs are associated with specific groups that were involved in the ethnic conflict in 2001. In addition to the connections with the Wolves unit described above, it has also been claimed that a large number of former members of the Lions Unit have now found employment in the Kometa No.1 Security Agency.¹⁴

¹¹ This list comes from an analysis of the activities of three different firms' work. Interviews with Bogdan Ugrinovski, Director, MBI Security, 01 March 2005; and Filip Nikolovski, Nikob Security, 01 February 2005; op cit Atansova.

¹² Interview with anonymous PSC employee, February 2005.

¹³ Op cit Tihomir Nikolovski.

¹⁴ Op cit Ugrinovski; Interviews with Lupcho Siljanovski, former security guard, 04 Feb 2005; and Henry Bolton, Security Advisor, UK Embassy, 26 February 2005; op cit Andonov.



4.3 Political affiliations

Affiliation between PSCs and the various political parties is perhaps the greatest source of concern regarding the operation of the private security sector in Macedonia. As long as PSCs remain linked to political parties, there remains the potential for the existence of parallel security forces, which are inherently less accountable and transparent and therefore more susceptible to misuse. The linkage between government officials, political parties and the private security industry is quite clear. For instance Branko Bojceviski, the former Director of OSA Security is currently Director of Public Safety in MIA. Under the previous SDSM government (1991 - 1998) Branko Bojceviski was also appointed to Chief of Traffic at the MIA in 1995.¹⁵ He also worked as Head of Security at Komercijalna Banka (Commercial Bank), while Hari Kostov was president of the bank.¹⁶ Kostov was appointed Interior Minister under the 2002 SDSM government and shortly later served as SDSM Prime Minister in 2004. Another example is Rote Zaovski the founder of Rote Security who was appointed chief of sector for economic crimes in the MIA in 1995.¹⁷

Given the importance of patronage in the Macedonian political system, where it is commonplace for government officials to award supporters with jobs and contracts, it is quite reasonable to expect favouritism to influence the awarding of security contracts. Several interviewees remarked on the workings of the VMRO-DPMNE government of 1998 - 2002, alleging that Kometa No.1 security agency was given preferential treatment during this period in applying for government contracts to provide security at buildings or public events. According to the same interviewees, when the SDSM government returned to power in 2002, newly appointed civil servants gave OSA security agency contracts, and in some cases appointed its staff to the MIA.¹⁸

Further, some PSCs allegedly have direct links to certain political parties. In particular the Kometa No1 Security Agency has close links to the VMRO-DPMNE party and the OSA Security Agency has close links to the SDSM party. Early in 2005 the owner, Zoran Jovanovski, and employees of Kometa No1 Security Agency participated in a political demonstration in front of the courthouse where the 'Rastanski Lozja' case is being tried.¹⁹ The demonstration was to show support to the defendants and former VMRO-DPMNE Interior Minister Ljube Boskovski. Daily newspapers claim that in addition to Kometa Security Staff, former members of the now disbanded Lions Unit and a group calling itself the 'Macedonian United Force' (dressed in black uniforms) participated in the political demonstration.²⁰ Further, the wives of the defendants in the 'Rastanski Lozja' case claim that their husbands were not arrested by police, but rather OSA personnel and that they were driven away in vehicles with no licence plates. They claim these arrests were politically motivated as the OSA Security agencies have close connections to the SDSM government.²¹ The 'Rastanski Lozja' trial is a politically charged court case due to its links to the previous VMRO-DPMNE government and allegations of revenge by the current SDSM government.

4.4 Organised crime affiliations

Although a recent study has claimed that some PSCs or their employees are 'linked to organised crime',²² evidence of systematic links was not found during this research. Individual cases of criminal activity are certainly on record, such as the case of a PSC employee recently convicted of extortion and attempted blackmail. There are also unconfirmed accounts of PSC involvement in political and business corruption provided by interviewees for this research. In particular it has been alleged that a PSC was involved in threatening small shop owners at the city's main shopping centre in an attempt to get the shop owners to close their businesses and move to a newly

¹⁵ 'Interior Ministry: a number of Chiefs replaced', *Nova Makedonija*, 20 October 1995. English translation by Macedonian Information Center (MIC).

¹⁶ 'Private Agency OSA conducted the arrests by Holding a gun to a child's head', *Dnevnik Daily Newspaper* No 2659, 17 January 2005.

¹⁷ Op cit Nova Makedonija.

¹⁸ Op cit Ugrinovski, Siljanovski, Bolton. Also, op cit Andonov.

¹⁹ Ibid.

²⁰ 'Threats and Protests During 'Rastanski Lozja' Continued Trail', originally reported by local print media: *Dnevnik, Utrinski Vesnik, Makedonija Denes, Vreme, Vest, Vecer, Nova Makedonija*, 19 January 2005. English translation of local media in Skopje Diem.

²¹ 'Wives of Rostanski Lozja Defendants swear OSA arrested at gunpoint', *Dnevnik Daily Newspaper*, 19 January 2005.

²² Op cit 'Macedonia: Guns, Policing and Ethnic Division', p 30.



built shopping centre, owned by a businessman allegedly linked to the current government. Although evidence of such actions is anecdotal, corrupt and criminal activities by PSCs should obviously be closely scrutinised by law enforcement agencies.

5 Regulation and conduct

5.1 Legal basis for control of PSCs

The laws covering the private security industry are the following:

- The 'Law on the Personal and Property Security Activities' (hereafter referred to as the 'Law on Security'). Published in the Official Gazette of the Republic of Macedonia No 80/99, dated 17 December 1999; and
- The 'Law on Arms'. Published in the Official Gazette of the Republic of Macedonia No 07/05, January 2005.

Sections I and II of the Law on Security cover the requirements for registration of companies and personnel with the police and the conditions that apply in the course of providing such services. Although background checks are required by the new Law on Weapons, the Law on Security does not require background checks to prevent convicted criminals owning or working in a PSC. The law does however specify that individuals applying for PSC work must not have a court decision prohibiting them from employment.²³ A security guard can never get a licence for possession and carrying a firearm if he has a criminal record (Articles 9 and 12). According to the Chairman of the Chamber for Security, most applicants bring a statement from the court demonstrating that they have no criminal record, even though this is not required.²⁴ Article 8 of the Law on Security also stipulates that individuals licensed for private security activities by MIA must be citizens of Macedonia and have residence in the country.²⁵ As a result, no international PSCs have been granted a licence to operate in Macedonia. However, the MIA reports that it is reviewing the procedure to consider issuing a licence to one firm, which was co-founded by a Macedonian citizen and a foreign citizen.²⁶ Article 8 of the law also stipulates that security workers must pass a state examination administered by the Chamber for Security in order to receive a licence to work, with Article 9 describing the content of that examination.

While the Law on Security provides the essential legislative framework and the oversight provided by the Chamber for Security and MIA sees to the basis of a good regulatory system, there are questions as to the extent to which the laws and regulations are enforced. As discussed above, the apparent close links between some PSCs and political parties carries the potential for abuse.

5.2 Use of force and firearms

The Law on Security requires that 'security workers may be armed in accordance with the regulations concerning purchase, ownership and use of firearms' (Article 20, Paragraph 1). This means that Macedonia's main legislation on civilian firearms possession and acquisition, the Law on Arms passed in February 2005, also applies to PSCs as described below. In the case of PSCs however, the law on security requires that weapons used for this purpose be registered to the company by the MIA. Although all private security guards are trained in weapons handling and use in the run-up to the State Examination (see below), the law requires that PSC staff wishing to carry arms must have first been licensed and issued an ID card by the Chamber of Security and also receive approval from the ministry to carry firearms as per the Law on Arms. Approved personnel may only carry the firearm during service hours.²⁷

²³ 'Law on Security No88/99', Article 8, Paragraph 2, Item 3.

²⁴ Op cit Tihomir Nikolovski.

²⁵ Section II Article 5 states that: 'in addition to the conditions envisaged for the registration [as legal business under the 'Law on Commercial Societies'], it is necessary for the legal person to have at least five persons with a licence and work permit issued by the Ministry of Internal Affairs. The legal Person from Paragraph 1 of this article may be established by a domestic legal of physical person'.

²⁶ Information provided by Goran Pavlovski, Spokesperson for Ministry of Internal Affairs, 25 February 2005.

²⁷ Op cit Tihomir Nikolovski; Information provided by Pavlovski, 25 February 2005.



The Law on Security (Article 20) also restricts the type of firearms that PSCs may use, stating that this is to be determined by the MIA. Pistols and revolvers are most commonly used although in some circumstances semi-automatic rifles have been approved for private security provision outside populated areas (e.g. guarding dams or radio towers).²⁸ The weapons permitted for use by PSC employees, with approval from the MIA, are defined in Categories B and C in Article 4 of the 'Law on Arms'.²⁹ These are listed below:

Category B – weapons that can be acquired with a permit are:

- Semi-automatic or repeater firearms;
- Single shot short firearms with central firing pin;
- Single shot short firearms with total length smaller than 28cm;
- Semi-automatic long firearms with magazine and chamber containing more than three bullets;
- Semi-automatic long firearms with magazine and chamber containing less than three bullets and with a movable charger;
- Repeater and semi-automatic long firearms, with unrifled barrel less than 60 cm;
- Semi-automatic long firearms for civilian use, similar to automatic firearms;
- Single shot long firearms with one or more rifled barrels;
- Pneumatic weapon with projectile's energy over 7.5J and calibre over 4.5mm; and
- Weapons for industrial purposes.

Category C – weapons, which can be acquired with a permit issued under extenuating conditions, are:

- Repeater long firearms, not included under point 6 of Category B;
- Semi-automatic long firearms, not included under points 4,5,6,and 7 of Category B;
- Single-shot short firearms with total length larger or equivalent to 28cm;
- Pneumatic weapons with projectile's energy of 7.5J, and calibre of 4.5mm; and
- Weapons for light-acoustic signalisation.

As the Law on Arms was only passed in January 2005, the type of firearms that can be used by private security guards 'will be more precisely regulated in the sub-legal acts which the Minister of Internal Affairs should pass'.³⁰ Article 7 of Law on Arms, restricts the amount of ammunition that a PSC may possess to up to 50 rounds for every weapon listed on its licence. As noted above, Macedonia's 2004 report on implementation of the UN Programme of Action on SALW cites 55 registered security companies.³¹ The same report indicates that 13,797 SALW are registered to 'Legal Entities', which includes PSCs and legal subjects (of the government, but not Army or Police). As there are a maximum of 6,000 licensed security guards in the country, official statistics alone suggest that

²⁸ Op cit Tihomir Nikolovski.

²⁹ Official Gazette of RM, No.07/05.

³⁰ Information provided by Pavlovski, 25 February 2005.

³¹ *Macedonian Report on the Implementation of the POA*, p 11.



PSCs are relatively well armed.³² However, one must also take into account the widespread availability of illegal weapons in Macedonia, which are widely believed to be used by at least some PSCs.³³

There do not presently seem to be any specific legal regulations regarding the storage of firearms and ammunition licensed to PSCs. The Law on Security No88/99, Article 20, Paragraph 1, states that 'security workers may be armed in accordance with the regulations concerning purchase, ownership and use of fire-arms'. The new 'Law on Arms' does include new regulations on safe-storage (Article 13) and may positively affect the storage security for firearms and ammunition licensed to PSCs. If this is not the case then this is a clear area where additional regulation should be considered. Also, there do not appear to be any restrictions on the carriage of concealed weapons at the present time.

According to the Law on Security, Article 17, 'the security worker shall be entitled to apply physical force only when it is necessary for the performance of duties', until the arrival of police and only after a loud verbal warning. Article 21 states that 'a security worker shall have the right to use firearms only if he is objectively incapable of calling the police and if, in some other way, he is incapable of repelling an immediate attack'. Article 21 further defines what qualifies as an immediate attack. In case of the use of force, a security worker and PSC are required to inform immediately (at the latest within 24hrs) the MIA and, in the case of any use of a firearm, the PSC and security worker are to submit a written report to the ministry immediately, and no later than 24 hours after the incident. Article 22 further limits the use of a firearm by forbidding its use when it may endanger lives of other citizens, against a visibly pregnant woman, children and older people (except if they are using a firearm to directly endanger security workers or persons in their charge). Articles 36 and 37 of the Law on Security contain penal provisions for the inappropriate use of force, misuse of firearms and failure to report a use of force.

There has been significant media coverage of alleged excessive use of force by some PSCs in Macedonia. In the most notable case, the wife of a defendant in the politically charged 'Rashtanski Lozja' Court Case testified that her husband was arrested during a raid by 'masked personnel wearing the personalised uniform of the Security Agency OSA, led personally by Branko Bojchevski [OSA Director]'. During the raid on their home on 09 May 2004, the wife claimed that the OSA security personnel held guns to their children's heads.³⁴

5.3 Professionalism and training

In order for an individual to receive a licence for employment as a security worker, the individual must apply to the Chamber for Security to take the State Examination. The application includes basic information on the individual and a 6000MKD (€100) fee to take the examination. In order to pass the examination, the applicant must pass at least seven of twelve subjects, eleven written/theoretical and a final practical exam on shooting and handling of firearms. The twelve subjects include:

- a) the 'Law on Security';
- b) criminal law;
- c) criminology;
- d) the 'Law on procuring, possession and carrying of weapons' (this subject will be updated to cover the new 'Law on Arms' which has replaced this legislation); authorisation and tactics in use of authorisations;
- e) organisation of security matters;
- f) tactics in performing security measures;

³² So far only 112 firearms have been registered with the Ministry of Internal Affairs by PSCs since the new Law on Arms came into force. These include 103 pistols, six hunting rifles, and three semi-automatic rifles. Information provided by Pavlovski, 25 February 2005.

³³ According to a recent report on SALW and security in Macedonia, it is not unknown for private security guards to carry illegal weapons. Op cit 'Macedonia: Guns, Policing and Ethnic Division', p30.

³⁴ The Rashtanski Lozja trial is a politically charged court case, due to its links to the previous VMRO-DPMNE government and allegations of revenge by the current SDSM government. In the trial, several former employees of the Ministry of Internal Affairs, including the former VMRO-DPMNE Interior Minister Ljube Boskovski, are accused of orchestrating the 2002 murder of seven economic migrants from South Asia in order to claim the Ministry and Police had foiled an attempted terrorist attack on the US and UK Embassies. It is alleged this was an attempt to show Macedonia's support and role in the US lead War on Terror. *Dnevnik*, 17 January 2005; *Dnevnik*, 19 January 2005.



- g) the firing and handling of firearms;
- h) self-defence;
- i) fire prevention and safety;
- j) use of means and devices for technical protection; and
- k) first aid.

Some PSCs, including OSA and Nikob, apparently offer preparatory training courses in preparation for the State Examination. The Chamber for Security publishes the training manual, which covers all of the above subjects, and other materials for the State Exam.³⁵ When an individual passes the State examination he receives a licence from the Chamber for Security, which qualifies him to be employed as a security worker. Upon employment with a PSC or other entity, the PSC or company must register the security worker with the Chamber for Security in order to receive an ID badge (Security Authorisation Card). According to Articles 14, 15, and 16 of the Law on Security, the security worker is required to carry the ID badge with him at all times while on duty and must show this ID badge whilst on duty or upon request from authorised staff of the MIA. Upon termination of employment the ID badge must be immediately surrendered to the Chamber for Security.³⁶

As well as the above training and examinations, the Chamber for Security also provides a 'Code of Professional Ethics of Security Officers'. The code was voluntarily adopted by members of the Chamber for Security and includes commitments to obey the law, maintain professionalism and restrain from the unnecessary use of force. All security workers employed by companies that belong to the Chamber for Security must take an oath to abide by this code.³⁷ Despite all of the above, a previous study on security in Macedonia found that in reality, the level of professionalism among PSCs varies greatly.³⁸ Interviews conducted for this research suggest that in general it is the larger PSCs that have developed the better practices, not least because their higher profile client base demands it.³⁹

5.1 Oversight

In theory Macedonia now has good regulations covering oversight of the private security industry. The situation is certainly much improved compared to the period before 1999 when the Law on Security was introduced, and information gathered during this research points to the level of professionalism in the industry as increasing over time. There are, however, a number of anomalies, the most important of which is the lack of a requirement for background checks of private security guards. Security guards are only required not to have a court decision prohibiting them from employment.⁴⁰ According to the Chairman of the Chamber for Security, applicant security guards must submit a document from the court stating that there is no security measure or court decision that prohibits that persons employment. However, most applicants bring a statement from the court demonstrating that they have no criminal record, even though this is beyond what is required by the law.⁴¹

The MIA and the Chamber for Security are the main regulatory bodies for the private security industry in Macedonia. According to the Law on Security (No 88/99), a PSC, in addition to registering as a business in accordance with the Law on Commercial Societies, must be registered and approved by the MIA for the performance of security for property and people.⁴² Furthermore, a commission with four members (two from MIA and two from the Chamber for Security) is responsible for the State Examination required for the licensing of security workers.⁴³ The MIA also

³⁵ Tumanovski D et al, '*Obezbeduvanje na lica i imot*', Chamber for Security of People and Property, Skopje, 2001.

³⁶ Op cit Nikolovski.

³⁷ Op cit Atansova.

³⁸ Op cit 'Macedonia: Guns, Policing and Ethnic Division', p 30.

³⁹ Interview with Rupert Breitmeyer, Security Officer for EAR, 23 February 2005.

⁴⁰ Law on Security No88/99, Article 8, Paragraph 2, Item 3.

⁴¹ Op cit Nikolovski.

⁴² Law on Security No80/99, Articles 3 and 5.

⁴³ Law on Security, No.80/99, Article 9.



provides professional assistance and organises annual shooting practice for security workers. In addition, all use of force by a PSC must be reported to MIA. Furthermore, the MIA is responsible for the implementation of the 'Law on Security, the work of the Chamber for Security, as well as overseeing PSCs.⁴⁴

The duties of the Chamber for Security include: ⁴⁵

- a) Organising the State Examination;
- b) Issuing licences to individuals who have passed the examination to work as a security worker;
- c) Issuing ID badges (Security Authorisation Cards) to companies;
- d) Maintaining records of those licensed individuals and companies; and
- e) Improving image and professionalism of the security industry in Macedonia.

As always, the extent to which these regulations are implemented is the key question. While further research would be required to examine this issue in detail, an initial area of concern may be the political associations attributed by some commentators to Macedonian PSCs, the existence of which would make it impossible to rigorously implement the regulations governing the industry.

There does not appear to be any attempt at self-regulation within the industry. This is unfortunate and should be encouraged, as it would be a way of de-politicising some of the oversight of the industry. If and when the market is opened up to international companies, this will become especially important.

6 Conclusion and recommendations

Macedonia appears to face similar challenges to neighbouring countries in the region with respect to the effective regulation and oversight of PSCs. Although gaps remain, the introduction of new legislation has provided a reasonably good basis for oversight of the sector as a whole, including individual security guards' use of force and firearms. As is the case in other countries, consistent enforcement of the applicable laws is not an easy task and requires greater attention. PSCs clearly operate in a difficult context with ethnic segregation, limited state capacity, corruption, patronage networks and the widespread availability of SALW posing clear challenges to their work. Under these conditions it is understandably difficult to maintain consistently high standards. Yet despite this, the larger PSCs providing security to international organisations and businesses (e.g. Nikob and MBI) seem to be quite professional. It is perhaps the smaller PSCs that are less organised, less professional and also seem to be facing real difficulties in surviving in the current commercial climate.

Wherever firms are closely linked to political parties – as has been alleged in the case of the two largest firms, Osa and Kometa No1 Security Agency – any professionalism will be undermined by those links, which compromise the independence of the firm and carry the risks of misuse of force for political ends and corruption. The existence of such links, predominantly political in nature but with an inevitable ethnic component because of the structure of Macedonian society and politics, is the principle issue facing the industry today. Such linkages are important for two reasons. Firstly, strong political links can undermine the effectiveness of regulation and oversight. Secondly, in a society that is polarised along ethnic lines, it is important that private security companies do not become the legal proxies of ethnic paramilitaries. The industry itself might contribute more in this area, with the more established and respectable firms coming together to better define and uphold best practice among themselves.

⁴⁴ Law on Security, No.80/99, Section VII, Supervision, Articles 32, 33, 34 and 35.

⁴⁵ Op cit Nikolovski.



6.1 Main recommendations

- The MIA should take action against all unlicensed operators without delay, requiring companies either to obtain licences or dissolve.
- Criminal background checks should be made a mandatory prerequisite for issuing Security Authorisation Cards. A licence to work as a security guard should be time-limited, and a requirement for re-testing or re-checking for criminal behaviour before re-issuing a licence should be introduced.
- The Law on Security should be amended to expressly prohibit the carriage of concealed weapons by PSC staff.
- The use of military-style weapons by PSCs should be prohibited.
- The laws on the storage of SALW and ammunition should be clarified.
- The MIA should work in cooperation with other actors to eliminate the use of illegal SALW by PSCs.
- The system for licensing weapons to PSC staff should be amended. Time-limited weapon permits and objective criteria for assessing the need of those applying for firearms should be introduced.
- The MIA should thoroughly investigate all cases of excessive use of force by PSC staff and prosecutions initiated where appropriate.
- The Government of Macedonia and the international community should give greater consideration to political affiliations of PSCs and their links to current and former security personnel. Given the governance context in Macedonia, attempts at self-regulation may be the best solution to these problems in the short-term. It is important that PSCs work to de-politicise themselves, and to distance themselves from security forces, whether current or disbanded.
- Joint working agreements should be introduced to specify the roles and responsibilities of PSCs and police in joint operations and minimise the chance that the two sectors enter into competition.
- The legal prohibition on foreign firms working in Macedonia should be removed. This is likely to drive up standards by introducing a new element of competition.
- Oversight should be improved by empowering parliamentary committees and an Ombudsman to scrutinise the conduct of PSCs and handle public complaints.





Moldova

1 Background to the privatization of security

Since declaring its independence from the Soviet Union in August 1991, Moldova's political, economic and institutional development has been undermined by the lack of a resolution of the status of the breakaway region of Transdniestria, which occupies the area between the river Dniestr and the Republic of Moldova's (RM) border with Ukraine, and has large ethnic Russian and Ukrainian communities. Transdniestria gained *de facto* 'independence' during a brief conflict in 1992, and has developed a range of administrative institutions that mirrors those of the Republic of Moldova. The breakaway Transdniestrian administration's control over the 425km long border between Moldova and Ukraine undermines any attempt that the Republic of Moldova might make to police its own borders and restricts its ability to combat smuggling, arms transfers and other illegal activities, and as a result a profitable re-export business has developed through Transdniestria due to taxation loopholes¹ as well as smuggling.² Moldova's economic situation is characterised by extreme poverty, especially in rural areas. In addition to inadequate health and school facilities, roads and transport, a lack of business/employment opportunities is one of the main causes for migration from the countryside to the capital and to foreign countries.³



The Republic of Moldova inherited a range of institutional deficiencies from the Soviet Socialist Republic of Moldova (SSRM), which it succeeded in 1991. Although the republics seceding from the Soviet Union were endowed with state institutions, such as Ministries of Interior (Mol), these institutions were heavily reliant upon the central Soviet administration in Moscow for policy formulation and, in most cases, simply implemented central Soviet policy. Consequently, following the break-up of the Soviet Union, there was a lack of experience of policy formulation and implementation at the institutional level. This weak institutional capacity was particularly relevant in the security sphere where it has taken the successor states a considerable amount of time to build up their military and policing infrastructure. In particular, the Moldovan Armed Forces had to be built from scratch in the early 1990s, while the Moldovan police force has had to undergo retraining in the provision of more ethical and citizen centred policing due to its previous focus on maintaining the power of the state under the Soviet administration.

Moldova has found it problematic to engage in SSR, with reform mostly involving the 'periodic downsizing of the armed forces and the redistribution of tasks among the institutions and organisations responsible for national security'.⁴ The most important document relating to SSR in Moldova is the 'Concept of Military Reform', which was approved by the Parliament of Moldova in July 2002. The document underlines the fact that Moldova does not face 'enemies' and the threat of conflict with another state is very low. Instead, there was a greater emphasis on 'soft' security threats, such as organised crime and smuggling activities involving drugs and weapons. According to the Concept, the Army is still to bear the majority of responsibility for combating these threats. The Concept also proposes legislative changes, including measures such as improved parliamentary and civilian oversight, in order to adapt to European standards. There has been some difficulty in implementing the Concept due to a lack of funds (the defence budget is about EUR 9 - 10 Million).

Several international actors have become involved in supporting reform of the Moldovan police force. They include the Council of Europe, the International Criminal Investigative Training Assistance Programme (ICITAP), and UNDP.⁵ The culture of abuse of prison inmates, ill treatment of suspects and arbitrary detention has not been

¹ 'Moldova: Regional Tensions Over Transdniestria', *ICG Europe Report No 157*, ICG, Chisinau/ Brussels, 2004, p 15.

² Perepelitsa G N, 'Konflikt v Pridnestrove Prichiny, Problemy I Prognoz Razvitiya', Kiev, 2001, p 12 - 13. For example approximately 60% of cigarettes sold in Ukraine are smuggled through the border between Transdniestria-Ukraine, op cit 'Moldova: Regional Tensions Over Transdniestria', p 11.

³ *The EU's relations with Moldova: Country Strategy Paper 2002 - 2006*, European Commission, 27 December 2001, p 6. Available at http://europa.eu.int/comm/external_relations/moldova/csp/02_06_en.pdf755.

⁴ Greenwood D and Volten P, *Security Sector Reform and Transparency-Building: Needs and Options for Ukraine and Moldova*, The Centre of European Security Studies, Groningen: March 2004, p 94.

⁵ UNDP website, http://www.undp.org/bcpr/jssr/3_projects/, accessed 24 June 2005.



eradicated despite this international assistance. These practices are compounded by a continued lack of civilian and parliamentary oversight and accountability with police officers responsible for such abuse not being held accountable.⁶

It is difficult to establish what, if any, SSR reform has taken place in regards to Tiraspol's security services due to a lack of information about the police force and special police force. The operation of such units is not subject to public scrutiny.⁷ The various police units in Transdniestria continue to act as a prop for the state rather than protecting the community.⁸

Given that parallel systems of governance run in Moldova and in the area controlled by the Tiraspol administration, PSC operations are regulated differently in each part of the country. The preferred designation for companies providing private security-style services in Moldova is 'Private Detective and Guard Companies' (PDGCs). The Government of Moldova insists that there are no 'private security companies' operating in the country and sticks firmly to this alternative name for companies providing such services. According to the national legal framework, the term 'security' cannot be used for these kinds of businesses and services. In terms of accepted international terminology in this area though, the PDGCs are effectively PSCs.

The Moldovan private security industry expanded rapidly after the first company appeared in 1989, culminating in a market of over 100 PDGCs by 2000. Since then, there has been a consolidation of the industry resulting in around 30 of these firms disappearing from the market, with a corresponding growth in the largest firms. As of 23 February 2005 ninety-one companies had valid PDGC licenses. Thirty-four PDGCs have armed employees. As it is illegal for international PSCs to operate in Moldova, at the present time all operating PDGCs are domestic companies.⁹ MiA records indicate there are approximately 3,000 fully registered private security guards working in Moldova who are permitted to carry and use firearms.¹⁰ However one estimate by a PDGC director put the number of actual staff working in the industry at 10,000.¹¹ Were this estimate to be correct, even accounting for administrative staff, it would suggest that several thousand personnel are operating outside the law. Since however it was not possible to corroborate this estimate during the research for this report, further research is advisable on this question.



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Justar S.R.L., Advertisement for Physical Security, 2005

The most widely recognised Moldovan PDGCs are 'Respect', 'Justar', 'Legion', 'Bercut', 'Tantal' and 'Allas'. The cities of Chisinau and Balti along with the other major urban centres represent the main centres of geographical activity for PDGCs.

Information about the private security sector in Transdniestria is difficult to obtain; for example, only one company, 'Sheriff', seems to offer security services in the region, but the research team were not able to obtain any information about the services that it offers or what its primary activities are. Therefore by necessity, the majority of this chapter focuses on the private security industry in the part of the country controlled by the government of the Republic of Moldova. However, to fully understand the role the private security providers have in relation to security, crime, trafficking and weapons ownership and use, it is essential at some point that the situation on the left bank of the Dniester river is analysed in greater depth.

⁶ *Report 2004: Moldova*, Amnesty International, 2004. Available on <http://web.amnesty.org/report2004/mda-summary-eng>, accessed 24 June 2005.

⁷ 'Moldova: No Quick Fix', *ICG Europe Report No 147*, ICG, Chisinau/ Brussels, 2003.

⁸ 'OSCE Official Denounces 'Linguistic Cleansing' in Transdniestria', *Radio Free Europe/ Radio Liberty*, 16 July 2004.

⁹ Law 283-XV, Article 5, Lines 3 and 4.

¹⁰ Interviews with Ion Lisnic, Inspector, and Larisa Ivanov, Chief Inspector, Ministry of Interior, 01 – 09 February 2005.

¹¹ Interview with Ion Mizunskii, Executive Director of 'Securicom', 26 January 2005.



2 Contemporary security threats

While the general crime rate has been falling in Moldova, violent crime rose steeply between 2003 and 2004. This rise in violent crime is a key factor in the recent growth of the Moldovan private security industry. While interviewees were aware that theft and other non-violent property offences are a greater problem than armed robbery, they still perceived violent crimes to be a greater threat and cause of insecurity. As long as individuals and businesses in Moldova perceive violent crime a threat to their security, demand for PDGC services is likely to remain strong.

Table1: Reported Crime Figures 2002–2004.

	2002	2003	2004
Registered Crimes	38,776	33,942	27,311
Violent Crimes	-	1,536	2,047

Source: Ministry of Internal Affairs.

Some independent experts were sceptical of official data reporting a reduction in property related crime, stating that there is evidence of field police stations not registering reported crime, in order to give an impression of 'success' in fighting crime.¹²

3 Services provided by Private Security Companies

Although it is relatively common for individuals to employ the services of companies in this sector, with about 300 - 600 households per year employing the services of a PDGC, the business sector is considered to be the largest employer of private security services in Moldova.

Static security and rapid response services are the most common security services offered by PDGCs, with a much lower demand for VIP escort and close protection services. Further, in stark contrast to the rest of SEE, where banking and the financial sector comprise a major (if not the largest) market for private security provision, banks, as well as a number of other institutions, are actually prohibited from employing PDGCs for security provision in Moldova. The following institutions are not permitted to contract a PDGC to provide private security services:



**Security of Cash in Transit,
Tantal Group S.R.L, 2005**

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- Ministry of Internal Affairs;
- Ministry of Defence;
- Security and Information Service;
- Centre for Combating Corruption and Economic Crime;
- Border Guards Department;
- Customs Department;
- Informational Technology Department;
- State Telecommunications Institutions;
- National system of energy and natural gas institutions;
- Fresh water supplying institutions;
- Storage for arms, munitions, explosives, toxic, radioactive and dangerous substances; and
- Public administration authorities, courts of law, banks, enterprises controlled by state.¹³

¹² Interview with Viorel Cibotaru, IPP, 15 February 2005.

¹³ PDGC Governmental Decision No 1510 passed on 12 December 2003, *The Official Monitor of the Republic of Moldova*, No 254 - 261, 25 December 2003.



The Ministry of Internal Affairs (MIA) provides property security to these institutions as well as a range of security related services to other client groups, including foreign embassies and diplomatic mission offices in Moldova. The provision of state security to embassies and other clients is handled and regulated by the Ministry of Foreign Affairs (MFA) and the Security and Information Service.¹⁴ There is the potential for direct competition between the private and public security sectors given that the state-run police service in RM provides guarding and alarm installation services on a contractual basis.¹⁵ As the police are also the main regulatory body for the private security industry there is a potential clash of interests that should be addressed. No legislation has yet been developed to remedy this potentially problematic situation.



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**Corporate Security Response Capability,
Ministry of Interior, 2005**

4 Affiliations between PDGCs and other sectors

Unlike the situation in several other South Eastern European countries, there is no direct evidence of affiliation between outside organisations and the private security industry except within Transdniestria. If this is correct, then Moldova is unique not just in South Eastern Europe but also in the world. Although none of those interviewed for this study were able to confirm the existence of such affiliations, the possibility that PDGCs have links with political parties was raised in the spring of 2005 during the General Election campaign. In this case, parties opposed to the electoral block 'Moldova noastră' (BMD) accused it of employing ex-combatants and former police and intelligence officers to act both as bodyguards and to monitor and intimidate other parties, some of whom were said to have also worked for PDGCs.¹⁶ Whatever the truth of the matter – and electoral investigators came to different conclusions about the case¹⁷ – it is instructive that allegations like these are deemed plausible enough to air.

PDGCs accept that, since many security workers have previously been employed by the state security sector, there is opportunity for communication and informal collaboration, especially in apprehending offenders and maintaining public order.¹⁸ There are also more formal working agreements between PDGCs and the police for patrolling the streets and maintaining public order, for instance during football matches and other public events.

'Sheriff' - the company in Transdniestria that seems to be the monopoly provider of private security - is widely believed to have strong connections with the government of the region. 'Sheriff' also holds a monopoly in a number of other economic sectors, being described in a recent OSCE report as being the monopoly owner of telecommunications services in Transdniestria, as well as the largest owner of supermarkets and other businesses including the only commercial TV station and a major football team.¹⁹ It is alleged to have been founded by three former policemen and is thought to have very close ties to the ruling family. The BBC when discussing the company in 2004 stated that 'organised crime experts in the UK suspect that 'Sheriff' really belongs to the first family of the rogue republic, and claim the Smirnovs use it to launder money'. It went on to say that a 'recent report funded by the British Department for International Development says that 'Transdniestria is a smuggling company masquerading as a state'.²⁰ It is unclear what, if any, regulations govern the provision of private security in the territory.

¹⁴ Government Decision No 1510 passed on 12 December 2003.

¹⁵ MIA Regulation No 3 'On Paid Services' dated 12 January 2000, *The Official Monitor of the Republic of Moldova*, No 14 - 16, 10 February 2000.

¹⁶ Interview with Viorel Cibotaru, IPP, 22 June 2005.

¹⁷ For example, see OSCE/ODIHR Statement, <http://www.osce.org/item/4353.html++BMD+2005+Elections+intimidation&hl=en&start=7>.

¹⁸ Interviews with Iurie Chimacovschi, Vice Director, 'Delta Forta', 27 January 2005; Dorin Damir Executive Director, 'Tantal', 25 January 2005; Ion Mizunskii, Executive Director, Securicom trade association, 26 January 2005.

¹⁹ *Assessment Visit to the Transdniestria Region of the Republic of Moldova*, OSCE, March 2005, http://www.osce.org/documents/rfm/2005/03/14036_en.pdf, accessed 25 June 2005.

²⁰ Ash L, 'Misery in a Pariah State', *Crossing Continents Programme* on BBC Radio Four, 01 April 2004, http://news.bbc.co.uk/2/hi/programmes/crossing_continents/3586815.stm.



5 Regulation and conduct

A complex system of registration exists in Moldova for PDGCs and their personnel. This complexity is almost certainly a bar to greater professionalism and oversight as excessive bureaucracy encourages both corruption and short cuts in the oversight process.

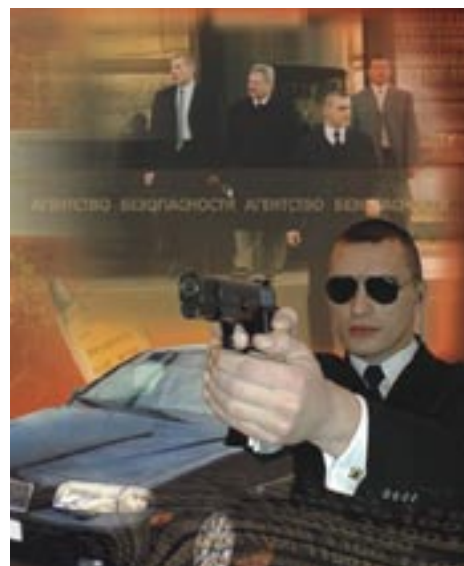
5.1 Legal basis for control of PDGCs

The 'Law on Private Activity as Detectives and Guards' (Law no. 283 -XV dated 4-07-2003)²¹ regulates the licensing and activity of PDGCs in Moldova. According to this law, in order for companies to offer services as private guarding companies and private detective agencies they must first obtain a licence, issued jointly by the Licence Chamber and the MIA. Each PDGC employee must then register with the Licence Chamber. It is forbidden for a PDGC to hire an individual who is known to use narcotics or has a criminal conviction. The MIA is responsible for completing background checks on all applicant security staff. In addition, each company also needs to have its logo and identity card approved by MIA.²² Non-observance of the law is punishable by the withdrawal of the company's licence.²³

Analysts consulted for this research note that the current legal system for PDGC regulation is excessively bureaucratic, requiring numerous different certificates for company registration.²⁴ The researchers were unable to clarify the apparent anomaly highlighted above by different interviewees' estimates of the number of PDGC guards working in the country (10,000 versus 3,000). Additional research is certainly required to discover whether in fact there are large numbers of guards working illegally. If this were indeed the case, it would probably indicate that the current legal system is prohibitively complex and that the penal provisions are not effective deterrents.

5.2 Use of force and firearms

Law No 283 - XV, Article 28(3) lists the types of weapons and special equipment that private guards may use, and has rules on the acquisition, storage and carrying of weapons. Private security guards employed by PDGCs are restricted to the use of firearms authorised for individual possession by Moldovan citizens and are not permitted to carry military style weapons. Firearms used by private security guards should be registered to both the employing PDGC and the individual guard.²⁵ Firearms are registered by the police and should be stored only on PDGC company premises. Details on common requirements for accounting methods when issuing weapons and ammunition to staff are provided by MIA Decision No 365 (passed 23 December 1993).²⁶ The use of force, firearms and special equipment is regulated in a separate provision of Law No 283 - XV (Chapter IV, Articles 28, 29 and 30) and appears in some ways to be consistent with the UN Basic Principles on the Use of Force and Firearms by Law Enforcement Officials. However, there are no specific rules or guidelines requiring PDGC employees to report incidents in which they have discharged their weapons. This is instead covered more



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²¹ *The Official Monitor of the Republic of Moldova*, No 200 - 20, 19 September 2003, www.docs.md, accessed 25 June 2005.

²² Law No 283-XV.

²³ Law No 283-XV, 04 July 2003, Article 17. Legea nr. 451-XV passed on 30 July 2001.

²⁴ Correspondence with Viorel Cibotaru, IPP, February 2005. Also Law 283-XV (22(5), 23(3), 26(2)).

²⁵ Interview with Iurie Cohaniuc, Operational Head, PDGC 'Respect', 22 January 2005; Op cit Damir and Mizunskii; Government Decision No 126 passed 15 February 2000.

²⁶ Law No 283-XV Article 28(3).



generally in the Moldovan Penal Code. No information on the Laws regulating PDGCs in Transdnistria was available.

The main human rights and media monitoring organisations working in the Republic of Moldova were unaware of any cases in which PDGC staff had been reported as using excessive force or firearms inappropriately.²⁷ However, although no evidence of such misuse is available, it remains possible that incidents occur and are not reported.²⁸ Unfortunately no information was available on the conduct of PDGC staff working in Transdnistria.

Despite these findings, it has to be seen as likely that abuses do happen as they are endemic within the state security system and therefore it has to be seen as highly likely that such behaviour would be replicated by the private security sector and simply not reported, as it is not seen as wrong by the oversight agencies.²⁹

6 Professionalism and training

Training is mandatory for all PDGC personnel and is organised by the MIA on an annual basis.³⁰ All personnel receive training in firearms use and their minimal use regardless of whether their roles demand carrying a firearm. They should all also receive first aid training; however interviews for this research suggest that not all guards are provided with proper first aid equipment even if they have been trained.³¹ Interviewed guards felt that the mandatory training was relatively difficult to cheat as it was highly valued by the companies that employed them. In addition to the above law, PDGCs usually have their own internal regulations that contain further restrictions on the use of firearms. 'Securicom' - the only PDGC trade association in Moldova – acts as a lobby group to defend the interests of PDGCs as well as offering professional training and legal consultation.

7 Oversight

The MIA is the main body responsible for regulating PDGC activity in Moldova. As well as providing training, approving company badges and logos, and (in conjunction with the Licence Chamber) licensing PDGCs, the MIA has the right to stop or suspend PDGC activity in the event of legal violations by PDGCs and their employees. Those interviewed for this study stated that the law regulating private security services in Moldova is enforced in practice, although it is too complex and creates a lot of barriers for the work of PDGCs. Although the MIA is expected to check the background of all PDGC employees, it checks only their criminal records.³²

No information on the oversight of PDGCs in Transdnistria was available.

8 Conclusion and recommendations

The lack of information on the private security sector in Moldova makes a thorough survey of the industry difficult. Whilst there is clearly a problem with transparency in the part of the country controlled by the Government of the Republic of Moldova, this problem is significantly worse in Transdnistria. Without being able to access and assess the situation on the left bank of the Dniester, it is impossible to construct a comprehensive picture of the role of private companies in the provision of security services. For its part, the Moldovan Government has recently demonstrated considerable openness in the security sector by requesting international support for police reform. This is to be applauded and there is clearly a dividend to greater transparency. This is also likely to be the case

²⁷ Despite searching the archives for the main media outlets in both parts of the country, the research team found no relevant references on the subject. Correspondence with Corina Cepoi, Centre for Independent Journalism, March 2005.

²⁸ Amnesty International Moldova state that this is not an area in which they have expertise. Correspondence between researchers at IPP and Evghenii Golosceapov, Executive Director, Amnesty International Moldova, 08 March 2005.

²⁹ *Report 2005: Moldova*, Amnesty International, 2005. Available on <http://web.amnesty.org/report2005/mda-summary-eng>, accessed 25 June 2005.

³⁰ Law No 283-XV Article 24 (1,3)

³¹ Op cit Chimacovschi; Mizunskii; and Cohaniuc.

³² Law No 283-XV Article 27 (2 b, d).



as regards private security provision and the government should not consider that increased transparency in this area would bring increased criticism; in many influential areas it will be welcomed.

Despite this, it seems that as with other sectors of the Moldovan economy, private security seems to be going through a period of consolidation and professionalisation. Although no evidence of human rights abuses or corrupt practices have come to light, it should not be assumed that these do not occur. Statistics gathered for this research also raise potential concerns that security guards may be operating without legal registration. Equally worrying is the inability of the government to legislate against conflicts of interest between PDGCs and the police for private security contracts. In terms of the general impact of PDGCs on overall security in Moldova, there is evidence to suggest that the rate of both overall recorded crime and recorded violent crime is lower in those areas where PDGCs operate.

8.1 Main recommendations

- The laws governing the licensing of PDGCs should be reviewed in order to reduce prohibitive bureaucracy. Consideration should also be given to the introduction of more detailed criteria for the licensing of both companies and personnel so as to further raise industry standards.
- The MoI should revisit the question of PDGC registration to discover whether unregistered personnel are operating, taking action to rectify any gaps in enforcement.
- Non-governmental actors should continue to monitor the activities of PDGCs with a particular emphasis on identifying any cases of improper political links.
- PDGCs should enhance self-regulation by introducing a progressive code of conduct for members of the current trade association.
- Donors, when conducting any SSR project support, should encourage the Government of Moldova to address the role and impact of the private security sector in the provision of security in the country. Further, donors should undertake an evaluation of the private security industry when conducting their security sector assessments with an eye to supporting greater regulation and oversight.
- The police services and PDGCs should not be competing for commercial security contracts. A clear separation between the private and public sectors and the services they provide should be established to prevent potential conflicts of interest arising and corrupt practices occurring.
- Greater transparency is required by the authorities of both Republic of Moldova and Transdniestria. In particular the Transdniestrian authorities should publish details concerning PSCs operating in the territory they control, and any regulations that apply in this area.





Romania

1 Background to the privatization of security

Romania's transition from communism began in 1989 with the ousting and execution of Nicolae Ceaucescu during the 'December Revolution', a revolt against a highly totalitarian and oppressive government. Although the country was initially burdened with economic difficulties arising from its obsolete industrial base and command-oriented production, it was spared the civil unrest and inter-ethnic conflict that afflicted its Balkan neighbours.

After a long period of reform, the Copenhagen European Council in December 2002 provided Romania with a road map, with the objective of EU membership in 2007. Accession talks were completed in December 2004, and NATO membership achieved in March 2004 after substantial restructuring of the Romanian armed forces and its defence system in line with Euro-Atlantic practices. Despite these successes, if Romania is to attain its target of EU membership in 2007, further progress is still needed in several areas ranging from judicial and public administration reform, to civil service development, combating corruption and economic restructuring.¹

As in other countries, diminishing state involvement in the security sector during the transition from Communism created a demand for protection of privatised goods and services in Romania. A number of factors have contributed to the growth of the sector in Romania, including an opaque and in-egalitarian transfer of public goods into private hands during the transition period which, coupled with a corrupt and poorly functioning judicial system, has led to widespread distrust in the state and its security providers.² PSCs first began to operate in 1991 - 1992. However, it was not until 1996 that the first law to regulate them was introduced. The Romanian Security Association states that 994 PSCs have obtained licences to operate in the whole country as of 2003, although this high number can be explained by provisions within Romanian law, which requires companies to set up protection of their assets either internally or externally. Thus, the market for private security has become a lucrative one. More than half of licensed PSCs in Romania are operating in Bucharest.³

Officially there are 37,291 employees working for PSCs. The best known domestically owned companies include Bidepa, RPG, Cameleon, UTI, CPI Security, Cobra, Securit Force, BGS, Argus, Global Security and Romguard.⁴ The largest PSC employs 2,000 people (Bidepa) and a number of companies have around 1000 employees (Romguard for example). There is a third tier of companies, which employ around 500 people (e.g. Cameleon 2010). The rest of the market is made up of small companies that generally employ anywhere between 40 - 100 guards. Companies in this sector of the market face severe competition at the moment and many firms



Guard Dog and Handler, BGS Security, 2005

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¹ 2004 Regular Report on Romania's progress towards accession, European Commission, Brussels, October 2004, pp 148-151, available on http://europa.eu.int/comm/enlargement/report_2004/pdf/rr_ro_2004_en.pdf

² Despite ongoing reforms, corruption in public and private sectors poses a serious challenge in Romania. 'Surveys and assessments conducted by both national and international organisations confirm that corruption remains a serious and widespread problem in Romania which affects almost all aspects of society. There has been no reduction in perceived levels of corruption and the number of successful prosecutions remains low, particularly for high-level corruption. The fight against corruption is hampered by integrity problems even within institutions that are involved in law enforcement and the fight against corruption'. Op cit European Commission, p 21.

³ Romanian Police website http://www.politiaromana.ro/serviciul_regim_paza.htm, accessed 28 July 2005.

⁴ Interviews with Gabriel Mihai, President Romanian Security Industry Association, 21 January 2005, and a number of prominent PSCs; also with Dr. Sartori, Paolo, Italian NCB Interpol Liaison Officer, Italian Representative to the SECI Regional Center for Combating Organised Crime, 28 January 2005.



are being absorbed by the larger PSCs as the industry consolidates.⁵ While the majority of PSCs are nationally owned, the market has steadily opened up to international competition. The largest foreign owned PSCs are Group4Falk (Denmark) and Civica (Italy) although other companies with Italian, Israeli and Spanish owners are known to operate in the country.⁶ The absolute number of PSCs in Romania is likely to decrease in the future as the consolidation within the industry continues, leading to a domination of the market by the largest companies. Foreign investment is helping to accelerate this process.

2 Contemporary security threats

Although the private security market is relatively large in Romania, violent crime does not appear to be a serious problem. A total of only 3,800 violent crimes were recorded throughout Romania in 2002, probably reflecting a public perception that the police and judiciary can do little in response.⁷ Instead, non-violent theft and burglary are the most direct security threats that Romanians face. According to official statistics released by the Romanian government, the police have a relatively successful crime detection rate. During 2003 a total of 99,946 'serious' crimes were recorded, of which 82,325 were solved. In 2003 there were 2,096 recorded criminal offences per 100,000 inhabitants of which the detection rate was 1,519 per 100,000 inhabitants (see below).

Table 1: Recorded Crime 2002-2004.

YEAR	RECORDED CRIME PER 100,000 INHABITANTS
2002	1,432
2003	2,096
2004	2,090

Source: Ministry of Administration and Interior.⁸

Private protection services are typically only required by businesses and/or institutions that need static security. However, the use of private security is also a reflection of the general public's distrust of the state authorities, particularly the police and the judicial system, combined with the widespread belief that even if one is caught the system can be manipulated by investing the right amount of financial resources or connections. In this environment the use of deterrence (e.g. security guards) is often seen as a more effective means of crime prevention than relying on the state. The perception that the state is unable to protect its population stimulates demand for alternative means of security thus indirectly assisting the privatization of security.

3 Services provided by Private Security Companies

The PSC industry in Romania seems to have a fairly wide customer base. Clients include businesses, politicians and international organisations. Commercial enterprises in Romania are required by law to take care of the protection of their assets and most of the larger companies have decided to outsource this function to PSCs.⁹ Several foreign embassies, including those of Italy and the UK, also employ PSCs to provide security services for consular sections and for cultural activities as do the World Bank and other international development organisations.¹⁰ It is not particularly common for individuals to hire PSCs and only 1 - 3 per cent of householders are thought to employ security guards.¹¹ Geographically the private security industry is especially active in the

⁵ Romanian Police website, www.politiaromana.ro, accessed 28 July 2005.

⁶ For instance the Danish-owned Group4Falk recently invested in Romania by acquiring and merging a number of locally owned PSCs. The local management have been kept, in accordance with the informal rules governing the Romania economy.

⁷ *Country Profile for Romania*, Economist Intelligence Unit, 2005.

⁸ Official Ministry of Administration and Interior. Available on <http://www.mai.gov.ro/Documente/Bilant%20MAI/Plan%20Operational.pdf>.

⁹ Law No 333 from 2003; and interview, Gabriel Mihai Badea, President, Romanian Security Industry Association, 21 January 2005.

¹⁰ Interviews with Nicolae Stoenescu, General Manager Cameleon 2010 (PSC), 18 January 2005; Ioan Stangu, General Manager, Prompt Guard Private Security company, 19 January 2005; op cit Badea.

¹¹ Ibid.



capital Bucharest, but also in the country's second city of Timisoara, around the country's borders, and along oil pipelines near the Danube River.¹²

A major part of the private security industry in Romania is concerned with providing static security either for fixed assets or goods in transit. There is also a sizeable market for technical surveillance to the extent that trade professionals estimate there to be more than 150,000 alarm systems in operation in the country (both public and private sector), usually connected remotely either to PSCs or the Police.¹³ There is also a sizeable market for surveillance in Romania, and one study dating from 1998 estimated there to be more than 160 private intelligence providers in the country, staffed for the most part by former Securitate or military intelligence personnel.¹⁴ The total value of the safety and security market is estimated in 2003 to be in the area of USD 100 to 150 million with an expected growth rate of 10-15% per annum in the near future.¹⁵



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Residential Property Protection, BGS Security, 2005

Some companies specialise in particular aspects of security provision; for instance, 'Argus' only provides rapid response security. In what appears to be a new development, some Romanian companies are starting to work outside of the country in conflict zones. In 2004 a Romanian security contractor working for the Sofia based PSC, Bidepa, was killed and another seriously injured providing close protection to the interim head of the Iraqi government. They were attacked when their convoy was going through Hilla, south of Baghdad.¹⁶ The incident led the MFA to issue an advisory note to PSCs.¹⁷

The overall effect of the sector on security is not entirely clear and is probably somewhat mixed depending on the type of service provided and the company in question. However, several interviewees consulted during the course of this research claim to perceive a tendency towards a reduction in crime rates in areas that are well protected by PSCs.¹⁸

4 Affiliations between PSCs and other sectors

4.1 Security sector affiliations

Although it is prohibited in Romanian law for serving police officers to work as private security guards, a number of security guards (especially senior ones) are former members of the army and police. For example the owner of the PSC 'UTI' used to be a member of the military and many of the company's employees were once in the Romanian army.¹⁹ The company has had contracts with the Cernavoda nuclear plant, the Romanian Parliament (both houses) and 'Henry Coanda' international airport, as well as more general guarding contracts with international actors including the Italian Embassy in Bucharest. Contracts for static security are outsourced to its subsidiary 'Cobra Security'. As noted above, personnel with a background in the security services are particularly well represented in the surveillance side of the security industry.

In another example of links between PSCs and the public sector, the police signed a unique joint working agreement with several PSCs for a short period in 1998, allowing the police to use PSCs' cars at a time when

¹² Op cit Badea; Stoenescu.

¹³ Unpublished study commissioned by the EURISC Foundation in 2003.

¹⁴ C. J. Van Bergen Thirion, 'Privatization of Security: A Blessing or a Menace?' Pretoria, South African Defence College, 1998.

¹⁵ EURISC unpublished study.

¹⁶ Iraq Coalition Casualty Count, available on <http://icasualties.org/oif/Civ.aspx>, accessed 28 July 2005.

¹⁷ Op cit Badea; Stoenescu.

¹⁸ Op cit Badea; Stoenescu; Stangu.

¹⁹ Op cit Stangu, 19 January 2005.



there were insufficient funds to supply enough police cars. More recently a protocol was signed between the police and a number of firms to jointly maintain public order and combat anti-social behaviour.²⁰

It is not uncommon in Romania for the gendarmerie and guards under the authority of local councils to also provide commercial security services. A special branch of the gendarmerie from the Ministry of Administration and Interior (MAI) provides static security services on a commercial basis. A total of 1,196 buildings and 1,222 km of pipelines were guarded by the gendarmerie in 2003. Of these, 348 were contracts for the private sector. Further, local guards under the authority of the local council and the elected mayor can also provide such services.²¹ With the public and private security sectors in direct competition for contracts there is concern that opportunities for corruption and conflicts of interest will arise. It is therefore important that clear lines of demarcation are established between the two sectors.

4.2 Political affiliations

There seems to be very little evidence that there are explicit links between PSCs and political parties or government officials. However, it is common practice for politicians to hire private security guards to provide protection and other services, perhaps indicating that even the politically active share the population's distrust of the ability of the state security sector to provide security.²² This said there does not appear to be a direct relationship between specific political parties and specific companies although this is an issue that cannot be conclusively resolved because of the limited nature of this research.

4.3 Organised crime affiliations

It is not easy to investigate links between PSCs and organised criminal groups (OCGs). Officially there are no connections, but media reports have alleged that links do exist. One of the most recent cases reported in the media involved a security company - Bronec - and its alleged connection to an organised crime cartel centred on a company called VGB.²³ Following the election of a new government in November 2004, a judicial investigation into VGB was launched. This is an ongoing investigation and involves many powerful businessmen within Romania.

5 Regulation and conduct

5.1 Legal basis for control of PSCs

As mentioned above, the industry has been regulated since 1996. The current legislation covering the industry is Law No 333 (08 July 2003); 'Law Regarding the Guarding of Objectives, Goods, Values and People Protection', State Gazette No 525 (22 July 2003).²⁴ The law requires all companies to obtain an operating licence from the police, and thereafter to submit the details of prospective employees for background checks. Those with criminal records are prohibited from working as security guards. Checks are carried out both by the police and the domestic Romanian Intelligence Service.²⁵ PSC owners, managers and their spouses must submit the following when applying to run a company: identity card and military record; curriculum vitae; medical record; psychological clearance; written proof that the individual concerned has received the necessary training to run a PSC.²⁶ Under the present legislation, company licences need to be renewed every three years by the police – an unduly long period that lowers the probability that poor conduct will result in the revocation of licences.²⁷ The law does not

²⁰ Op cit Badea; Stangu; Romanian Security Industry Association, Newsletter, November 2004, p 3.

²¹ *Assessment of Activity in 2003*, Ministry of Administration and Interior, Romania, Bucharest, 13 January 2004; Isac Stelian, Deputy Director, The Independent Service for Arms, Explosives and Toxic Substances, Romanian Police, 20 January 2005.

²² Op cit Badea.

²³ *Ziua* newspaper, 09 September 2004.

²⁴ Law Number 333 from 08 July 2003, 'Law regarding the guard of objectives, goods, values and people protection', State Gazette No 525, 22 July 2003.

²⁵ Ibid, Chapter II, Section 4, Article 20, Paragraph 2; and Chapter V, Section 2, Article 41, Paragraph 1.

²⁶ Romanian Police website, <http://nt.politiaromana.ro/servicii/ordine.shtml>, accessed on 28 July 2005.

²⁷ Interviews with PSCs sources, January 2005; op cit Sartori.



distinguish between international and domestic PSCs, allowing foreign firms to operate in the country under the same regulatory framework. At the moment there is also no regulation of Romanian PSCs or PMCs that operate abroad.

Although a media search indicates that the law's basic provisions are typically being adhered to both with respect to employees and companies, some industry observers have criticised the laws on the basis that they are unclear and open to misinterpretation by the regulatory authorities.²⁸ PSC staff in particular identified the lengthy process for hiring approved staff as being open to abuse.²⁹ One interviewee also stated that the law does not give the police sufficient powers to close problematic operators.³⁰

5.2 Use of force and firearms

PSCs' use of firearms is currently regulated under Law 17, Regarding Arms and Munitions, introduced in 1996. Interestingly, Romanian security companies, uniquely in SEE, are not permitted to own their own firearms but must lease them from the police. Pistols and a range of non-lethal devices from irritant sprays to batons and in exceptional cases machine guns³¹ can be leased. This system means that the police and private security staff carry the same weapons, although PSCs are only allowed to carry firearms after submitting a specific protection plan to the police and obtaining their approval. The process for applying to hire firearms from the police is strict and time consuming, and PSCs must prove that the firearms are absolutely necessary for their work. In addition, they must demonstrate that the company possesses the resources and logistics to store firearms and train their employees in special police shooting grounds on how to use firearms (according to the 1996 Law Regarding Arms and Ammunitions, firearms have to be stored in special steel closets on the company premises, and ammunition stored separately).³² There are no known cases of PSC employees taking firearms home in contravention of the law. Given the cost and effort required to obtain firearms, few Romanian security guards are armed with SALW, and most PSCs tend to arm their guards with less lethal weapons such as batons or chemical sprays. The carriage of concealed weapons is not permitted.³³

However, a new Law of Arms and Ammunitions, adopted in June 2004 and published in the Official Gazette on 30 June 2004 will considerably liberalise the possession of lethal arms by the general public and consequently by the Police when its operative regulations are finally introduced. In addition, firearms in use by PSCs will in future be registered to individual staff and not to the police. A number of civil society groups have raised concerns about the effects of liberalising the laws on firearms possession, with the backing of some representatives from the police. At the time of writing, these groups continue to lobby the Parliament to toughen the draft secondary regulations guidelines on the law's implementation.³⁴

Under the current legislation, firearms and 'non-lethal' weapons may only be used for self-defence while on duty and in such a way that the 'rights and freedoms of citizens' are not in any way harmed.³⁵ As far as this research could determine, this requirement is not elaborated on in the law itself or in regulations on its implementation, but instead in the specific protection plans that PSCs agree with the authorities in each case. Protection plans are also required to comply with the internal regulations of the authorising agency. However, since any one of three agencies (MAI, gendarmerie, or police) may endorse a particular protection plan depending on the circumstances,

²⁸ Op cit Sartori; Stangu.

²⁹ For example would-be PSC employees cannot receive the required training in the subject directly and then seek employment with a firm. They must first obtain police approval that they do not have a criminal record, then present proof that a firm wishes to hire them to the PSC school. The PSC in question then prepares a dossier of these documents, plus a medical clearance and proof that the company has paid the tuition fee. At this stage police approval of the dossier is again required, and a further letter of approval must be issued by the police. Correspondence with researcher Radu Ragea, EURISC Foundation, 21 July 2005.

³⁰ Op cit Sartori.

³¹ 'Law Regarding Arms and Munitions'. Chapter 6, Section 1, Article 48, Letter K. Op cit Stelian; Stangu; Stoenescu.

³² Op cit Stelian.

³³ Op cit Law No 333, Chapter V, Section 3, Article 45, Paragraphs 1 and 2.

³⁴ Correspondence with EURISC Foundation, March 2005.

³⁵ Op cit Law No 333, Chapter 2, Section 5, Article 24.



there is the potential for significant variation between plans on how force and firearms may be used. Despite this, there have not been many allegations that the PSC industry has used excessive force or threatened human rights in Romania. One fairly exceptional case occurred in 2000 when a PSC 'Protect', was implicated in the assassination of a union leader, resulting in the imprisonment of its director and two employees.³⁶ Further, on two occasions discussed below, security guards have also attacked journalists. This said, because training standards in the industry are rather low, it is apparently quite common for guards to use physical force in the course of their work, in some cases for intimidation.

5.3 Professionalism and training

The general view among those consulted during this research was that levels of professionalism in the industry are typically low, with only a small percentage of firms meeting European standards with regard to service provision, or in key areas such as human rights. Contributing factors include poor pay and conditions, which particularly in the case of junior guards leads to a lack of concern about promoting a professional ethos at the junior level.³⁷ Inadequacies in the training regime may also play a part. All prospective private security guards are expected to obtain a professional diploma following a training course lasting a minimum of 90 days.³⁸ The course is organised either by the Romanian Gendarmerie, the Romanian Protection Service or other companies that are licensed to conduct this training and is said to cover topics such as first aid and self-defence techniques (a sample curriculum was not made available to the researchers).³⁹ Yet a significant gap in the training that this research has identified is the lack of any instruction on how to deal with the general public. This is thought by some interviewees to be one reason why security guards resort to physical force more routinely than they might otherwise need to. It is unclear how this squares with a legal requirement that PSC staff may only use arms in such a way that the 'rights and freedoms of citizens' are not in any way harmed,⁴⁰ and it is likely that the training curricula needs further development and elaboration in this area.

Nevertheless, reports of professional misconduct are relatively few and far between. Several high profile cases have been reported, and they are particularly noteworthy because of the apparent reluctance shown by the regulatory authorities in responding. The most recent incident involved journalists from *Ziua* newspaper who were attacked by security guards from Bronec PSC following an attempt to photograph a property they were guarding. The police did not intervene and initially defended the security guards' conduct. In response to this attack and similar incidents, around 100 journalists organised a public protest in December 2004 against Bronec's impunity and the reaction of the police.⁴¹ In general however, analysts consulted for this research felt that standards in the PSC sector are no better or worse than other areas of the Romanian economy.

There are three main professional PSC Associations in Romania (a fourth exists but is inactive) – the Romanian Association for the Security Industry; the Romanian Security Owners Professional Association; and the Romanian Association for Security Technology. The latter represents the interests of PSCs dealing mainly with technology such as CCTV or electronic alarm equipment. Another is composed of owners acting as a pressure group while the third is an umbrella body, which represents the interests of the entire industry.⁴² The Romanian Association for the Security Industry claims to have introduced a voluntary Code of Conduct for its members very recently. Such schemes obviously have the potential to drive up standards in the industry; however, the association's representatives did not disclose its contents of their Code of Conduct to the researchers, leaving important questions unanswered.

³⁶ The new Czech management of the firm soon entered into conflict with one of its established union leaders who openly denounced a new and lucrative contract. This individual was beaten and stabbed to death by two males. The courts ruled that the factory manager, together with the General Manager of a PSC 'Protect' Vaslui, had planned the killing together. Protect's director, Catalin Ciubotariu received 15 years in prison, and two employees 5 and 3.5 years each. The harshest sentences were reserved for the two murderers. *Ziua* newspaper, 16 August 2000 and 10 October 2003.

³⁷ The net pay for junior staff is between €80 and €120 per month. Op cit Badea; Stoenescu; Stangu.

³⁸ Op cit Stoenescu.

³⁹ Op cit Law No 333.

⁴⁰ Ibid, Chapter 2, Section 5, Article 24.

⁴¹ 'Un traficant de droguri este lider al PRM Dambovită' *Ziua* newspaper, 17 December 2004, <http://www.ziua.ro/display.php?id=35424&data=2004-12-17&keyword=VGB>, accessed on 28 July 2005.

⁴² Interview with Ion Stanciu, President, Romanian Security Owners Professional Association, 20 January 2005.



5.4 Oversight

As noted above, the MAI, through the police, is responsible for granting licences for every PSC that wants to work in the private security sector. Licences are only to be granted after the National Intelligence Service has endorsed the particular PSC. In addition, before being allowed to pursue the special training course required by law, the PSCs' employees have to be endorsed individually by the MAI, with background checks also being required for the spouses of PSC owners.⁴³

Unfortunately there are significant doubts as to whether the police regulation of the sector is effective. Firstly, police responsibility for the control of PSCs is compromised by a lack of capacity and potential conflicts of interest.⁴⁴ Secondly, several of the sources for this study felt that the level of control exercised by the MAI and the Romanian Domestic Intelligence Service was deficient and not part of an ongoing monitoring process.⁴⁵ Lastly, the current legislation covering the industry, Law 333 of July 2003, 'Law regarding the guarding of objects, goods, valuables and people protection', has been criticised by one informed interviewee as being unclear in places, creating opportunities both for corrupt officials and PSCs to override them, and also contradictory in some respects with the internal working practices of the MAI.⁴⁶ Especially in light of the fact that there is no additional scrutiny of the sector by parliamentary committees or an Ombudsman's office in Romania, these are important deficiencies that should be addressed.

6 Conclusion and recommendations

The private security industry does not seem to be an issue of great official concern in Romania. Despite the relatively high numbers of PSCs operating in the country relative to other countries in the region, there is little feeling that PSCs have had a noticeable impact upon crime, apart from discouraging burglary and attacks on those buildings being guarded. The scope of this project has meant that it is difficult to assess the real impact of the industry either positively or negatively. This has not been helped by the noticeable lack of transparency displayed by most companies although it should be said that this is a general problem across the entire commercial sector and not just restricted to security companies. The private sector in Romania is remarkably opaque, e.g. few companies are listed on the Stock Exchange, and those that are, have highly restrictive disclosure policies. A related problem is the endemic corruption that affects political and economic life in Romania, which in turn feeds off a lack of transparency.



Guard Dog Teams, BGS Security, 2005

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It is vitally important therefore that the actors charged with PSC oversight are strengthened to prevent any malpractice. State supervision of the industry does not at present appear to be intense enough to allow problems to be identified at an early stage. The fact that the industry is perceived in some respects to be in competition with the state security sector is also a concern, since the result may be a zero-sum relationship between the two sectors, with PSCs undermining the public sector rather than providing an additional layer of protection. It is important that this perception is directly combated by defining more clearly the relationships between the two sectors and their mutual roles. With the public and private security sectors in direct competition for contracts there is also the concern that opportunities for corruption and conflicts of interest will arise. Further, the

⁴³ Op cit Law No 333.

⁴⁴ Op cit Stoenescu; Sartori.

⁴⁵ Interviews with PSC staff, January 2005; op cit Sartori; *Monitoring Exercise of instruments and mechanism for Parliamentary oversight of the security sector in Romania*, EURISC Foundation / The Committee for Defence, Public Order and National Security, House of Deputies, Parliament of Romania, Bucharest, Romania. 2004.

⁴⁶ Interviews with PSC directors, January 2005; op cit Sartori.



standards within the industry continue to be low and therefore it is important that the industry itself enhances professionalisation through promoting greater training and improved rates of pay within the industry.

6.1 Main recommendations

- It is important that the state security sector and the private sector are not in direct competition with each other. Therefore, it is vital that clear demarcations are set between the two security sectors. This can be achieved through the introduction of joint working agreements.
- There is a possibility that corruption could occur at some point during the licensing process for firms and individual guards, especially considering the length of the process. Steps should nevertheless be taken to make the licensing process more transparent with, for example, the introduction and publication of standard assessment criteria against which applicants can be judged.
- The law should be amended to reduce the time period for which PSC licenses are granted, the current three-year period being overly long.
- The Government of Romania should consider reviewing the current legislation to eliminate any ambiguities. In particular, clear, detailed and universal standards on the use of force, firearms and other less lethal weapons by PSCs should be incorporated into the national legislation.
- There have been questions over whether oversight actors (MAI, police and the intelligence service) are currently acting as efficient regulators. The arrangements and working practices that are currently in place should be revised and where necessary amended.
- Given that Romanian security companies are working abroad, including in conflict zones such as Iraq, it is important that the government of Romania consider the possibility of introducing the regulation of security companies that work abroad.
- Attention should be given to developing and elaborating the training curriculum for PSC staff to ensure that detailed guidance is given on the minimal use of force in accordance with the UN Basic Principles on the Use of Force and Firearms by Law Enforcement Officials, and that examinations require candidates to demonstrate an adequate understanding of their responsibilities in this area.
- Professionalism among security guards is perceived to be low, partially as a result of the low levels of pay in the industry, but also because corruption makes it relatively easy to bypass aspects of the training system. It is therefore important that international clients specify that they require higher standards of training in any tender documents and consider the professionalism of company staff rather than going for the lowest bidder in any competition.
- Supplementary oversight methods, in particular the use of parliamentary committees and an Ombudsman's office, should be established and supported.



Serbia and Montenegro

The Republic of Montenegro

1 Background to the privatization of security

Montenegro survived the dissolution of the Socialist Federal Republic of Yugoslavia (SFRY) without armed conflict despite its ethnically mixed population. In the late 1990s, until the fall of the Milosevic regime, the republic faced a very real threat to state security due to the politics of Milosevic and the various internal reactions this provoked among pro-Montenegrin and pro-Yugoslav groups. As the Belgrade authorities became more authoritarian, the Milosevic camp increasingly saw the government in Montenegro as overly sympathetic to the US and EU and a possible source of subversion. With fears of a takeover growing, the Montenegrin government began to militarise and enlarge the only security force fully under its control, the police force, which grew from around 10,000 to 25,000 personnel in a brief period.¹ Tensions were markedly dampened by the change of government in October 2000, and fears of conflict between Serbia and Montenegro have finally receded.



The complex constitutional arrangement that currently exists between the two republics of Serbia and Montenegro (SCG) has not entirely solved these problems. Born of EU pressure to retain regional stability, the State Union came into being when the then Yugoslav President Vojislav Kostunica and Montenegrin Prime Minister Milo Djukanovic signed the Belgrade Agreement on 05 February 2003. Under this arrangement, the State Union retains competency over functions such as foreign affairs and defence, with the remaining functions of government controlled at the republic level. Great uncertainty remains over Montenegro's future within the State Union, creating a degree of tension both with Belgrade and the EU, which continues to support the SCG as a loose federation.

Nevertheless the chief security threat facing the republic today, rather than being external-security related, is organised crime. Criminal organisations have long been seen as operating from and throughout Montenegro, bolstered in particular by a shadow economy created by previous international trade sanctions on the FRY and the opportunities created by state paralysis.² This reality is in striking contrast to the fact that, according to official sources, most citizens in Montenegro do not consider crime a serious problem.³ The Montenegrin Government continues to collaborate with a host of international organisations, ranging from the UNDP, to the EU and OSCE, on law enforcement and security sector reform. The EU, USAID/ORT and OSCE are particularly important international actors in these areas, assisting with police and judicial reform and border policing to help combat organised crime.⁴

It is against this backdrop that Montenegro's private security industry has emerged. As with the rest of the region, the industry has only emerged in the period since the end of communism. The private security company, Fast Worker claims to have been the first legally registered PSC to be established in the ex-Yugoslavia in 1992. However, the industry only seems to have really picked up when the company Security Guard Montenegro was established in May 1999. There are now nine companies in the republic offering private security services.

¹ Simic P, *Yugoslavia at the crossroads: reforms or disintegration?* Institute of International Politics and Economics, Belgrade: March/April 2001, p 6.

² Davis I, *Small arms and light weapons in the Federal Republic of Yugoslavia: The nature of the problem*, Saferworld, London, 2002, p16.

³ Interviews with Branko Bulatovic, Spokesman, Ministry of Interior, 25 January 2005; Sinisa Bjekovic, Executive Director, University of Montenegro Human Rights Centre, 20 January 2005.

⁴ SEESAC Weekly Media Review, 22 – 29 September 2003, www.seesac.org, accessed 03 May 2005.



2 Contemporary security threats

As in all SEE countries, Montenegro suffers from a range of real and perceived security threats that act as generators of demand for private security provision. Recent research has found that citizens do not fully trust the police and that Montenegro suffers from 'relatively high levels' of small arms proliferation and violent crime compared with the rest of the region. Armed crime is a particular problem in smaller towns and handguns are the most commonly used weapons.⁵

As, at the time of writing, the latest official crime figures from the Ministry of Interior (Mol) were not available, the most up to date figures available are from a study conducted in 2004, which provides an overview of armed crime rates in the republic. In the period 01 January 1992 – 21 December 2002 there were 255 murders committed with firearms.⁶ In this period the number of violent assaults involving SALW per 100,000 inhabitants was highest in Cetinje (23 per 100,000), Bar (20), Niksic (17), Podgorica (17), Kolasin (17) and Budva municipalities.⁷ The assault rates for Kolasin, Cetinje and Budva are particularly noteworthy because less than 22,000 people populate all these municipalities, a fact that apparently contradicts general assumptions that gun crime is higher in urban rather than rural areas.⁸

A combination of petty and organised crime probably accounts for the above incidents; Montenegro is believed to have the highest rate of personal weapons possession per capita of any country in the Balkans, a factor that explains the routine occurrence of petty armed crime. However, for those people whose work or wealth has dubious legality and who have links to the criminal underworld, there is a perception that internecine feuds do occur with occasional violent outcomes.

The presence of large amounts of SALW, corruption and organised crime still, however, present significant challenges to public safety. The republic's problems with organized crime and SALW trafficking are difficult to control given its weak and distrusted law enforcement agencies,⁹ widespread corruption¹⁰ and the challenges posed by its mountainous terrain.

As in the Republic of Serbia, incidents of armed violence and armed homicide have decreased since the mid 1990s although the level of armed homicide in Montenegro remains high by international standards.¹¹ Montenegro has seen a fall in politically motivated assassinations in comparison to earlier years although there have been several high-profile cases, such as the May 2004 murder of a newspaper editor Dusko Jovanovic in Podgorica.¹²

The republic has been identified in the past as a smuggling route for narcotics, humans and cigarettes although perhaps on a smaller scale than some neighbouring territories. In Montenegro, the low risks facing traffickers are thought to have fuelled this lucrative trade and its effects have been felt throughout Europe.¹³ International

⁵ *Montenegro SALW Survey*, (Small Arms Survey, 2004), pp 3, 20 and 30. This report found, among other things, that citizens tend to perceive the police as 'biased, behave rude and unprofessionally, frequently use policies of nepotism, and are often used as a 'repressive instrument of the state' that strictly follow the politics of the party in power, and that most households cite personal and family protection as the primary reason for gun possession.

⁶ Preamble to the 'Law on Arms', Official Gazette. No: 49/04. English language version available at <http://www.seesac.org/laws/Montenegro%20-%20Law%20on%20Weapons%20Oct%2004.PDF>

⁷ *Ibid.*

⁸ Unfortunately, there has to date been no rigorous analysis of why gun-related crime is relatively high in rural areas in Montenegro.

⁹ *Op cit*, Small Arms Survey, p 30.

¹⁰ Serbia and Montenegro is rated at 97 out of 145 in Transparency International's Corruption Perceptions Index for 2004, www.transparency.org accessed 10 May 2005.

¹¹ *Op cit*, Small Arms Survey, p39.

¹² Dusko Jovanovic was shot and killed on 28 May 2004 as he left his office in Podgorica, even though he was protected by a bodyguard. The newspaper he edited - *Dan* - has been strongly critical of the government. In 2002, Reporters without borders criticised Montenegro following the imprisonment and fining of journalists charged with defaming the then President Milo Djukanovic. Various. 'Newspaper condemned for saying president was cigarette smuggler', Reporters without borders, 17 June 2002, http://www.rsf.fr/article.php3?id_article=2620, accessed 15 January 2005.

¹³ 'High profits and low risks for Montenegrin smugglers', *Dan*, 12 September 2003.



development organisations - for example the European Agency for Reconstruction (EAR) - have therefore contributed resources to combat trans-border crime, especially by upgrading the capacity of border police. Problems in this area are of a regional nature, and the activities of Montenegrin Organised Crime Groups (OCGs) (if there are any) are likely overshadowed by those of regional criminal networks. Montenegro is a signatory of treaties and conventions covering the fight against organised crime although many observers have questioned the capacity of law enforcement agencies, and the will of government, to address this problem. As one report put it, even if law enforcement agencies had sufficient capacity 'they certainly would not be able to match the enormous sums available to the organised crime gangs, who can presently bribe public officials'.¹⁴

The two best-known PSCs in Montenegro are Security Guard Montenegro and Guard Popovic Security. There are four other registered PSCs: Cobra Security (Podgorica); Security – NIK (Niksic); Top Security (Podgorica); and Vukacic Security Guard (Podgorica). In addition, an association of security providers lists three more PSCs as members: Star Spread Labudovic (Niksic), Agencija za zastitu (Podgorica) and Fast Worker UNO (Podgorica).¹⁵ Though there are PSCs based in Niksic, Berane and Cetinje,¹⁶ the majority appear to be based in the largest city, Podgorica. As Montenegro is a small republic, it is possible for PSCs to easily operate throughout the country from this base. For example, according to its promotional material, Security Guard Montenegro works across the entire country, including all national branches of Podgoricka Bank.¹⁷ It is however difficult to determine the precise number of PSCs operating because many are small and unregistered. According to the Central Registry of the Commercial Court, there are five companies in Montenegro working in 'private investigation and protection activities' and one registered under the code for 'public security, guarding, law and order'. Yet there is another company – 'Fast Worker' - based in Podgorica, which is not listed on the Court's register. One head of a PSC estimated there were 10 - 15 PSCs in Montenegro, but that most of these were not legal enterprises.¹⁸

3 Services provided by Private Security Companies

The most prominent registered PSCs in Montenegro provide a variety of services for their clients. For instance, Security Guard Montenegro (SGM) divides its services into three strands: 1) security provision; 2) public affairs service; and 3) physical and technical security. The first strand, security provision, deals with the design and manufacture of uniforms, bulletproof vests, armour for transportation vehicles, cases and belts. The second strand, public affairs service, deals with administration, the sale of alarm and video equipment, a VIP service¹⁹ and training centre. The final strand, physical and technical security, centres on SGM's protection activities for 'persons, facilities, assemblies, manifestations and the transport of money and valuables'. As part of its physical and technical security service SGM has a rapid response unit, bodyguards, detectives and a consultative security service. Security Guard Montenegro also has contracts with the police and military to provide special equipment such as uniforms and belts, but not weapons.²⁰



Staff, Security Guard Montenegro d.o.o, 2005

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The second prominent firm in Montenegro, Guard Popovic Security, lists its services as: safeguarding of objects and individuals; transporting money and valuables; escorting and protecting vehicles; installing alarm systems; providing video surveillance; providing systems for securing money; and an investigations office. Security Guard Montenegro and Guard Popovic Security are two of the largest PSCs in the country. Other smaller PSCs do not offer the same variety of services. There are also cases of PSCs being

¹⁴ 'Montenegro: Little political will to curb trafficking and corruption', Civilitas Research, 09 January 2003.

¹⁵ Central Registry of the Commercial Court; Interviews with Jole Cavlovic, Head, Fast Worker UNO, 27 January 2005; Mr Marjan Marjanovic, Owner, Security Guard Montenegro, 19, 20 and 27 January 2005.

¹⁶ Op cit Bjekovic.

¹⁷ Security Guard Montenegro website, <http://www.securityguardmn.com/eng/>, accessed 15 January 2005.

¹⁸ Op cit Marjanovic.

¹⁹ The VIP service provides a 'business club' (bar, restaurant and club).

²⁰ Op cit Marjanovic; Security Guard Website, <http://www.securityguardmn.com/eng/>, accessed 15 January 2005.



employed for politically sensitive public safety services. For example, political developments in Podgorica have recently aroused public protest and Security Guard Montenegro has been hired by local authorities to clear cars from sites and prevent public sabotage.²¹ Security guards who work on an independent basis outside of PSCs are often hired as bodyguards for wealthy 'businessmen'.²²

PSCs are on the whole hired for general security purposes, such as the provision of security at sports events and concerts, business security and the transfer of money, rather than from a fear of crime.²³ PSC clients in Montenegro include:

- International institutions (e.g. UNHCR);
- Private businesses (e.g. Ski Centre Durmitor);
- Oil companies (TNK, Tyumen Oil Company Russia);
- Private individuals and foreign visitors;
- NGOs (Women's Peace Forum employs a PSC to guard its safe houses for abused women, as well as its offices);
- Banks (Podgoricka Banka);
- Celebrities (when the Serbian pop star 'Ceca' toured Montenegro she hired Security Guard Montenegro and Guard Popovic Security);²⁴ and
- Medical establishments (Guard Popovic Security provides security at a range of hospitals).²⁵

In all the above examples, the PSCs were employed to provide physical security. PSCs in Montenegro also sell and install technical security systems to the following: USAID, the Council of Europe, Atlasmont Bank, and 'Monet' mobile phone company.²⁶

International organisations in Montenegro do not hire domestic PSCs at the present time. For example, the European Agency for Reconstruction (EAR) employs an EU-based PSC that in turn hires local individuals through local newspaper adverts.²⁷ Because it does not have confidence in local firms, the US Consulate does not employ a Montenegrin PSC to guard its premises, instead, employing individuals directly. This practice is contrary to the majority of US missions in the world where local companies are hired.²⁸

Not many private citizens and households employ PSCs. Although the public does not have great confidence in the police, they are more likely to contact them before hiring the services of a PSC²⁹ since the cost of hiring personal security is prohibitive for most Montenegrins. This said, wealthy and influential individuals such as newspaper editors and politicians are increasingly hiring PSCs and bodyguards. In some cases it is believed that personal security is hired by these individuals in order to protect themselves from potential resentment arousing from the alleged illicit manner in which they gained their wealth. A large amount of this wealth was gained through the illegal smuggling and trafficking opportunities that arose during the conflicts of the 1990s in the Former Yugoslavia and Albania. Nowadays PSCs are frequently hired to protect such property.³⁰ Finally, there is also a perception that having a bodyguard is a status symbol for wealthy businessmen.³¹

²¹ Interview with Mr Dragan Mugosa, Information Officer, EC Delegation to Montenegro/European Agency for Reconstruction, 28 January 2005.

²² Interview with Women's Peace Forum, 20 January 2005; op cit Bjekovic.

²³ Op cit Marjanovic.

²⁴ Interview with Biljana Batizic, *Vijesti*, 28 January 2005.

²⁵ Interview with Vladan Simonovic, 'Media' and CEDEM, 21 January 2005.

²⁶ Op cit Marjanovic; Women's Peace Forum; Batizic; and Simonovic.

²⁷ The contract lasts between 18 months to a year and is transparent and open to both local and international companies. The tendering process treats both local and international PSCs equally. EAR has strict regulations on the experience and background of PSCs it employs. After the contract has expired, the tendering process starts again.

²⁸ Interview with Alan Carson, US Consulate, 26 January 2005.

²⁹ Interview with Nedjeljko Rudovic, Journalist, *Vijesti*, 27 January 2005; Bjekovic.

³⁰ Op cit Bjekovic; Women's Peace Forum.

³¹ Op cit Bjekovic; Batizic.



The presence of the private security sector in Montenegro seemed to have become accepted. All interviewees were able to name at least one PSC (and often two). These tended to be Security Guard Montenegro and Guard Popovic Security. From interview responses, people have a very clear idea about the work that PSCs carry out and for which clients. Most of this work, such as guarding banks and providing security at public events, is viewed as legitimate.

No official statistics are available to compare crime rates with the activities of PSCs, but according to most sources there is no doubt that the crime rate is lower in areas where PSCs operate.³² Figures for Montenegro show that several municipalities with populations lower than 22,000 have gun assault rates per 100,000 citizens higher or as high as Podgorica – the capital (population over 100,000). It might be possible to infer from this data that the presence of PSCs operating in Podgorica has had an effect on the gun assault crime rate. However, there has been no research conducted into this relationship or on any displacement effect that PSCs may be having. The Montenegrin police maintain that there is no connection between the rate of crime in Montenegro and the activities of PSCs, although they pointed out that the number of PSCs is rising at the same time that overall crime in the country is falling.³³

PSCs play an important role in supplementing the work of the police, who would otherwise be unable to supply enough officers. As the MoI's responsibility for securing different institutions and production facilities has gradually reduced, PSCs have taken on responsibilities that would previously have fallen to the police. Consequently it appears that the police regard certain PSCs as rivals for lucrative security work that officers carry out in addition to their regular duties.³⁴ The credibility of this accusation is enforced by a journalist from Vijesti who claimed that it was common practice for police officers to work as security guards, for instance at nightclubs,³⁵ outside of hours.

4 Affiliations between PSCs and other sectors

In a jurisdiction the size of Montenegro (with a population of 616,000) it is inevitable that extensive informal connections will exist between a number of different sectors. It is however, important that such connections are clear and transparent and that legal and judicial systems are in place to ensure that individuals are not compromised by such connections.

4.1 Security sector affiliations

In Montenegro, PSCs are keen to portray their legitimacy and promote themselves as professional and reliable entities with a range of national and international clients. However, perhaps due to Montenegro's recent history and its diminutive size and the conflicts in the former Yugoslavia, there is a sense that PSCs have emerged with some military and institutional affiliations. Companies such as Security Guard Montenegro and Fast Worker, who employ ex-military and ex-police personnel, are unlikely to be alone in this regard.³⁶ Most PSCs were also established by former employees of the MoI and the Police.³⁷

PSCs working with the police at public events, such as sports matches and concerts, certainly cooperate closely with the police, developing security plans that specify the roles played by each actor.³⁸ In such cases the roles and competencies are decided before any event, with the police having oversight and control over security operations.³⁹ For example, Security Guard Montenegro claims to communicate and plan with the police when extra security personnel are hired for sports events, concerts and public events.⁴⁰ All interviewees mentioned

³² Op cit Bjekovic.

³³ Interview with Zivko Sipic, Chief of Directorate of Police, 25 January 2005.

³⁴ Interview with Jole Cavlovic, Head, Fast Worker UNO, 27 January 2005.

³⁵ Op cit Batzic.

³⁶ Op cit Marjanovic.

³⁷ Op cit Cavlovic.

³⁸ Op cit, Marjanovic.

³⁹ Op cit, Bjekovic.



the role that PSCs play in providing support to the police at these events, and this is seen as perfectly legitimate: the task of the police being to protect citizens, and of PSCs to give additional protection. Thus, there must be a certain level of cooperation and complimentary activity.⁴¹ Yet outside of these activities, there are generally no working agreements between PSCs and the police.⁴² It however is important that all forms of joint working between PSCs and police are established on a clear footing. More significant still, is the fact that it appears to be common practice for police officers to work as security guards outside of working hours, for instance at nightclubs.⁴³ Yet, it is unclear whether this is officially sanctioned and controlled (as is the case in Kosovo) or is actually illegal. Ideally, this practice should be prohibited, but at the very least it must be brought under some form of legal control and closely monitored.

4.2 Political affiliations

There is mixed evidence regarding the existence of affiliations between PSCs and political actors. While there is no hard information on the existence of any such links and journalists interviewed for this research doubt their existence, it is very difficult for the media to investigate this issue due to the lack of a freedom of information act in Montenegro.⁴⁴ Both the fact that security and protection of Government officials is carried out by the police and not PSCs⁴⁵ and that individuals and not PSCs guard political parties might indicate the absence of any such affiliations.⁴⁶ However more concealed affiliations may exist. Though one senior employee at Security Guard Montenegro claims to have good relations with the MoI,⁴⁷ on the whole the PSCs interviewed were reluctant to comment on the existence of political affiliations, either by themselves or by other PSCs.⁴⁸

4.3 Organised crime affiliations

The most problematic affiliation issue in Montenegro is that of potential connections between PSCs and organised criminal groups (OCGs). Government officials, whilst openly acknowledging that the Yugoslav conflicts of 1990s fuelled OCG activities in Montenegro, downplay the present importance of OCGs stating that organised crime ceased to be a problem in Montenegro after Milosevic was removed from power in Serbia.⁴⁹ Other sources, including interviews conducted for this research, suggest a different, albeit ill-defined, reality, but these sources were unable to clarify, what kind of connections might exist between PSCs and OCGs.⁵⁰ If there are OCGs operating in Montenegro, the Government is unwilling to concede that it is an issue worth confronting. This view is disputed by the barrister of the assassinated Dan journalist Dusko Jovanovic who believes that there is clear evidence of OCG activity in the country; 'Jovanovic's assassination was a clear manifestation of the existence of organised crime'.⁵¹ On the other hand, the lack of prosecutions could be evidence that there is no will to tackle organised crime, or moreover, to eliminate the corruption within the government's ranks and confront the 'many shady businessmen connected to the senior members of government, police and customs'.⁵²

⁴⁰ Op cit, Marjanovic.

⁴¹ Op cit, Bjekovic.

⁴² Op cit, Sipic.

⁴³ Several interviewees remarked on this. For example, Op cit, Batzic.

⁴⁴ Op cit Batzic.

⁴⁵ Op cit Nedjeljko Rudovic; Marjanovic.

⁴⁶ Op cit Bjekovic.

⁴⁷ Op cit Marjanovic.

⁴⁸ The PSC 'Fast Worker', while denying that they have any links to political parties themselves, declined to comment on or 'slander' other PSCs in the industry. Op cit Cavlovic.

⁴⁹ Op cit Branko. For example Vesna Medenica, the Supreme Public Prosecutor, declared that 'time will tell whether there is organised crime in Montenegro', citing the lack of any criminal charges brought against OCGs in Montenegro. 'Vesna Medenica is not sure whether there is organised crime in Montenegro: No offence reported so far', See *oneworld.net*, 09 February 2005.

⁵⁰ *South Eastern Europe SALW Monitor*, SEESAC, Belgrade, 2004; Op cit Bjekovic; Women's Peace Forum.

⁵¹ 'Vesna Medenica is not sure whether there is organised crime in Montenegro: No offence reported so far', See *oneworld.net*, 09 February 2005.

⁵² 'Montenegro: Little political will to curb trafficking and corruption', Civiltas Research, 09 January 2003.



5 Regulation and conduct of PSCs

5.1 Legal basis for control of PSCs

The current laws governing PSCs are the 'Law on Arms' (Official Gazette No 49/04) and the 'Law on Business Organisation' (Official Gazette No 6/02). In addition, two new laws are presently being drafted: the 'Law on Protection of Property and Individuals' and the 'Law on Detective Agencies'. The 'Law on Protection of Property and Individuals' will regulate the activities of all persons and companies that provide security services. Currently it is only available in draft form. Some of the main provisions are listed below.

According to Article 3, protection services can only be provided by individuals and companies registered at the Central Economic Court.⁵³ All companies must register with the Economic Court in order to receive a registration number and they subsequently become automatic members of the Chamber of Commerce. Membership is compulsory. However, in an interview with the Chamber of Commerce of Montenegro it was stated that there was only one PSC operating in the country – Security Guard Montenegro. Confusingly, it does not appear that all PSCs are registered with the Chamber of Commerce or indeed with the Economic Court. All companies are required to re-register annually. After registering with the Economic Court, PSCs must register with the local police in order to be issued with weapons licences.

Article 6 states that companies and individuals providing protection services (hereafter PSCs) are not allowed to provide domestic or foreign military or espionage services. Articles 8 specifies that PSCs are allowed to provide services for:

- a) the protection of property from damage, theft and destruction;
- b) installing alarm/audio/video systems;
- c) preventing unlawful access;
- d) protecting a person's rights/integrity/personal security;
- e) protecting money and valuables; and
- f) security at public gatherings.

Articles 18 and 19 set out the conditions that those wishing to register a PSC must meet. They must have at least five employees; be citizens of Serbia and Montenegro; be resident in Montenegro; have attended high school for a minimum of two years; be healthy; have no criminal record or have not been accused of any crime; not have a drinking, drug or violence problem.

Article 25 of the draft Law states that permission to carry out private security activities can only be granted if the applicant has passed an examination set by the Mol. However, if individuals have worked for the police, they automatically qualify to undertake PSC work.⁵⁴

5.1 Use of force and firearms

The 'Law on Arms', Article 31 allows companies to issue arms and ammunition to individuals who are working as bodyguards and in the protection of facilities and goods, (provided the criteria of the prior Article 17 are met).⁵⁵ Weapons can only be carried whilst the guard is on duty and cannot be carried outside of the facility being guarded or protected. However, Article 31, Paragraph 2, states that guards of crops, vineyards, hunting and fishing areas, and other persons who are professional bodyguards and are employed to provide security for facilities, property and goods may carry weapons outside the said facility or area to a place of residence. Guards who handle money or valuables can also carry weapons beyond the site being guarded for purposes of transport.

⁵³ Further PSCs are registered by the Central Registry of the Commercial Court under either the 'Private Investigation and Protection Activities' ('Delatnost trazanja lica i zastite') code or the Public Security, Guarding, Law and Order' ('Javna bezbednost, obezbed; zanona, reda') codes.

⁵⁴ 'Law on Arms' (Official Gazette No 49/04); Draft 'Law on Protection of Persons and Property'.



The PSC must, however, issue a licence for carrying or transporting weapons to the person entrusted with them and must inform the MoI. The current law is an improvement on the previous 'Law on Arms', which did not require that a licence for carrying and transporting weapons be issued by PSCs to guards.⁵⁶

PSC staff and citizens alike are not allowed to possess any automatic weapons and semi automatic weapons with a magazine capacity of more than five bullets (except rifles of 22 LR calibres).⁵⁷ Weapons for self-defence are classed as pistols and revolvers of 5.56 mm calibre and more.⁵⁸

The Criminal Code covers the force that the police can use and it is expected that the new 'Law on Protection of Property and Individuals' will contain provisions referring to PSCs and weapons. The 'Law on Arms' (Article 12) lists all banned weapons and applies to all citizens and companies.⁵⁹ Although there is no formal legislation regulating the use of force, one PSC interviewed for this research claimed to train employees to use minimal force.⁶⁰

With regard to training in the handling and management of firearms, although the law requires that citizens with weapons licences have training in how to handle them, there is no specific law pertaining to PSCs in this area.⁶¹ To date no PSCs or employees have been convicted in Montenegro for violations of the laws governing the use of force and firearms. It was not possible during this research to carry out a detailed survey of the training provided by the different PSCs operating in Montenegro to determine whether it meets international standards (in particular the UN Basic Principles on the Use of Force and Firearms by Law Enforcement Officials), and extra research is warranted on this question. Further, while the fact that no evidence could be found of firearms misuse by PSC staff in the course of this research, given the widespread availability of firearms in Montenegro, and the high levels of gun misuse in wider society, a degree of caution is probably warranted. Since this wider context is likely to condition the behaviour of at least some PSC staff, there is plenty of scope for force and firearms to be used, and every possibility that in doing so, security guards will meet an armed response. Additional questions arise about the use that off-duty police may make of their weapons and the licensing arrangements that apply in this area. Further research is therefore required on a number of questions surrounding the use of force and firearms by PSCs and police in Montenegro.

No information on the laws regulating the carriage of 'non-lethal' security equipment, such as batons and sprays, was available.

5.2 Oversight

According to the draft 'Law on Protection of Persons and Property', Article 16, the MoI has responsibility for PSCs and has the right to investigate them if required.⁶² There is at present no special department that regulates PSCs. The MoI and the Economic Court have responsibility for registering all commercial societies but there is no department within the MoI specifically concerned with PSCs. Some Montenegrin PSCs do claim to have a

⁵⁵ The 'Law on Arms', Article 17 sets out the criteria for licensing to possess and carry firearms. A licence for arms purchase can only be issued to individuals who are over 21 years of age and who have not been prosecuted for an offence committed while on duty. There must also be a justifiable reason for arms procurement. There must exist no potential for the misuse of weapons, such as frequent and excessive consumption of alcohol, gravely disturbed family, neighbourhood or working relations; discipline violations in the context of hunting or sporting marksmanship regulations. Individuals must also pass a health examination to verify that they are capable of handling and carrying weapons and must have been trained in handling arms and understand the relevant regulations. Article 17 also dictates that an arms license can only be issued to an individual who is trained in handling arms and knows the regulations related to arms handling and keeping. The Ministry of Interior issues a certificate of aptitude for keeping and carrying and correct use of weapons. The new Law also requires that the person carrying and transporting weapons show this licence at the request of an official. Preamble to the 'Law on Arms', p37.

⁵⁶ *Ibid.* p37.

⁵⁷ 'Law on Arms', Article 12.

⁵⁸ 'Law on arms', Article 14.

⁵⁹ 'Law on Arms'; Criminal Code (2003 / correction 2004. Official Gazette No 79/2003 and no. 7/2004 - Correction).

⁶⁰ Op cit Marjanovic.

⁶¹ Op cit Bjekovic.

⁶² Op cit Bulatovic; draft 'Law on Protection of Persons and Property'.

⁶³ Op cit Bulatovic.



means of self-regulation in the form of a Code of Conduct that specifies guidelines for hiring and firing guards.⁶³ However, it is unclear whether it is company-led and as our researchers were unable to obtain a copy of the code the nature of its conduct is unclear.⁶⁴

Since it introduces tighter regulation, the introduction of the new 'Law on Protection of Persons and Property' may also provide a window of opportunity to re-examine oversight in the sector. However according to a prominent Montenegrin think-tank, the Centre for Democracy and Human Rights (CEDEM), a prerequisite for effective oversight is the introduction of a freedom of information law which will allow information on corruption and the activities of PSCs to be passed freely between the public, companies and the police. A new law on freedom of information is currently being drafted and is eagerly anticipated by NGOs and the media in Montenegro who describe the current situation as characterised by 'arbitrary behaviour of executive power bodies'.⁶⁵

5.3 Professionalism and training

Client satisfaction with the professionalism of Montenegrin PSCs varies. After contracting Security Guard Montenegro between 2000 – 2001, UNCHR Podgorica office wrote that 'our overall impression is that Security [Guard] Montenegro is a reliable company which we can recommend for cooperation'.⁶⁶ Yet although as noted above, some companies run in-house training for their staff, the law does not specify any training for PSCs, except that all citizens and commercial enterprises that apply for weapons' licences must have been trained in handling arms.⁶⁷ Unfortunately it was not possible to examine the exact requirements on weapons handling during this research or to determine the precise content of any in-house training that is provided. However, further attention is clearly required in this area to ensure that all PSC staff are trained to an acceptable standard.

6 Conclusion and recommendations

PSCs do not attract a large amount of attention or concern in Montenegro. This can be interpreted in two ways. Firstly, PSCs are carrying out legitimate work and the private security sector is simply a response to social and economic changes in line with Montenegro's transition from a command economy. Or secondly, the level of societal corruption is so high that people assume that, along with other areas of Montenegrin life, PSCs have to operate in a semi-legitimate grey-area with links to government, police, and criminal organisations. Criticism tends not to be directed at the PSCs themselves, but at the system in which they work and the institutions that are in need of reform. There have not been any stories or negative rumours about security guards in the Montenegrin press, and tellingly, one of the main human rights organisations in Montenegro, when questioned about rumours of PSC links to organised crime, blamed the system that regulates PSCs – in other words, the government – but not the companies themselves.⁶⁸ Even the most forthcoming journalists only criticised the government, police corruption and their lack of freedom of information to investigate PSCs, rather than PSCs themselves. In this view of course, PSCs are no worse or better than any other institution or industry in the country. Indeed, the fact that they provide security at public events and for businesses such as banks appears to give them increased acceptance in the public's eyes.

The sector as a whole can be expected to grow and mature in the near future. The MoI, PSCs and the media predict that the number of PSCs and security guards will grow as a result of several factors. Firstly, growth in the economy will see the establishment of more businesses that will require security services, and if Montenegro's tourist industry continues to attract investment, new hotels and amenities will generate greater demand for security providers. Secondly, the ongoing restructuring of the Police and Army could lead to ex-servicemen and

⁶⁴ Op cit Cavlovic; Simonovic.

⁶⁵ Op cit Batizic; Rudovic; Bjekovic. The Law will establish the right to free access to information, the obligations of the government, transparency, appropriate procedures and legal remedies. 'Transition in Montenegro', CEDEM, Report No. 23, September 2004, p 25 - 27 and p 30 - 34

⁶⁶ Reference letter written for Security Guard Montenegro.

⁶⁷ Certificates must be submitted to the Ministry of Interior with all other documentation. Interview with Milan Jovovic, Beretta gun shop, 28 January 2005.

⁶⁸ Op cit Bjekovic.

⁶⁹ Op cit Bulatovic.



police officers joining PSCs or hiring themselves out as individual security guards.⁶⁹

6.1 Main recommendations

- The draft 'Law on Protection of Property and Individuals' is a positive step towards the regulation of the activities of PSCs; however there is not enough support to implement the reforms. Frameworks to ensure the implementation of the legislation need to be drawn up to supplement the new legislation.
- The draft 'Law on Protection of Property and Individuals' entails enhanced freedom of information. For the successful implementation of this law, the general transparency of state agencies will need to improve to the point where information can no longer be withheld by the authorities on the basis of discretionary powers, or manipulated, as is currently said to be the case.
- Prospective PSC employees should be required by law to undergo detailed background checks.
- The current system for storage of SALW by PSCs should be reviewed to determine whether the current arrangement, by which staff providing security to certain installations may take weapons home, can be improved upon.
- Particular attention should be given to the introduction and consistent application of rigorous training programmes in the minimal use of force and firearms for PSC staff. Such training must be nationally approved and regulated, and consistent both in theory and practice with the UN Basic Principles on the Use of Force and Firearms by Law Enforcement Officials.
- The informal working relationship between the state security service and PSCs must be formalised and better regulated through the introduction of joint working agreements between PSCs and police. In particular, the authorities need to stop the police working as security and bodyguards outside of hours.
- A lack of consistent official information regarding the number of PSCs operating hampers analysis of the privatised security sector in Montenegro. The MoI and Chamber of Commerce must reform the registration process to ensure full compliance with the law, as at present only one of nine known PSCs have registered with the relevant authorities in Montenegro.
- The better-established PSCs should come together to agree a progressive code of conduct and promote its adoption throughout the industry. Government and clients should encourage this.



The Republic of Serbia

1 Background to the privatization of security

As the Federal Republic of Yugoslavia was amongst the most economically advanced of the former socialist-bloc countries, the Republic of Serbia's subsequent economic and social decline, following the various post-Yugoslav conflicts, has been all the more dramatic. Between 1990 and 2000 Serbia experienced a 50 per cent reduction in GDP, a substantial decline in its industrial production, large reductions in exports, imports and the value of state pensions, increases in unemployment, a large increase in the importance of the informal sector and the substantial migration of skilled labour.

During the same period, Serbia also experienced a dramatic decline in both the rule of law and the effectiveness of state security structures that were used as instruments of oppression rather than security providers, allowing organised criminality unprecedented freedom and power. The penetration of criminality in Serbian society was most evident in the increased collaboration between the security services - *Sluzba Drzavne Bezbednosti* (SBD) - and criminal networks. Rooted in the 1970s when Yugoslav criminal networks were utilised for smuggling arms, cigarettes and tobacco and assassinating dissident émigrés,⁷⁰ these links were formalised following the imposition of economic sanctions by the UN in May 1992, as parallel trading networks were actively encouraged by Milosevic's Government to counter the embargo. This environment was exacerbated as the security forces waged successive wars in Croatia, Bosnia and Kosovo, further diverting resources away from domestic security provision.

As in the rest of SEE, Serbia is undertaking extensive Security Sector Reform (SSR). As well as the SSR problems experienced by the region as a whole, Serbia has specific problems related to both the Serbian security services' participation in the post-Yugoslav wars, especially regarding implications of involvement in ethnic cleansing and other violations of human rights, and the purported close links between the security services and organised criminal networks. A series of reforms have been initiated to tackle this specific legacy as well as the demands of modernisation and professionalism. A substantial downsizing of the armed forces has already begun, with the intention of creating modern armed services capable of addressing contemporary threats. Action has also been taken to make the police service more accountable to the public and more capable of providing a safe and secure environment. This has focused on improving the technical capacity of the police to investigate crime (e.g. training in forensics); improving the police's ability to communicate with the public through introducing community policing approaches; raising the accountability and professionalism of the police through the introduction of a new Police Code of Conduct; the creation of an Office of the Inspector General for oversight purposes; and the creation of a Multi-Ethnic Policing Entity in southern Serbia to better serve the needs of the ethnic Albanian minority there. These measures have had some tangible successes including increasing trust between the public and the police.⁷¹

The private security market first emerged in Serbia during the early 1990s as demand for private property protection grew in response to the ineffectiveness of Serbia's state security providers. A range of private security companies were formed to meet this demand. Embryonic PSCs in Serbia were predominately informal groupings of armed men that as well as providing private security services engaged in racketeering, money laundering and trafficking.⁷² These groups were able to operate relatively freely due to a lack of regulation and their connections to both formal (the police) and informal (powerful businessmen) local power structures.

It is important to note that elements of Serbia's security services also underwent virtual privatization during the 1991 - 1995 period, when various paramilitary groups consisting of 'quasi-private criminal combatants'⁷³

⁷⁰ *Partners in Crime: The Risk of Symbiosis between the Security Sector and Organised Crime in Southeast Europe*, CSD, Sofia, 2004. In the 1970s, over 150 criminals, including 'Arkan', allegedly leased themselves to the Federal Ministry of Interior. *Ibid*

⁷¹ *Living with the Legacy – SALW Survey of the Republic of Serbia*, UNDP, 2005, p 45.

⁷² Simpson, J. 'Private security in Serbia: industry growth is offset by poor legislation, creating a dangerous vacuum', (Unpublished) 16 March 2005, p 5.

⁷³ Andreas, P, 'The Clandestine Political Economy of War and Peace in Bosnia'. *International Studies Quarterly*, 48 (1), 2004, p 29 - 51.



conducted operations not only within the various areas affected by war but also in regions within Serbia proper, such as the Hrtkovci, Kosovo, Pljevlja, Sandzak and Vojvodina provinces.⁷⁴ These 'operations' consisted of intimidation or acts of open violence against Muslim, ethnic Albanian, Croatian and Hungarian communities and were conducted with the knowledge of, and in some cases support from, local security structures.

A number of key economic and legislative reforms, in part designed to harmonise legal and regulatory standards with EU norms, have had an impact on the development of the private security sector. These include the privatization of viable production assets, the reform of the social security system and taxation, the liberalization of labour laws, the opening up of the economy to international markets and radical changes to law enforcement and the provision of justice. As well as increasing the amount of private property owned by Serbian citizens, these reforms have succeeded in securing foreign investors.⁷⁵ As a result there has been an increase in demand for private property provision from both domestic actors, who have acquired assets under the privatization process, and international businesses.

There now exists a diverse, competitive and largely unregulated private security sector in Serbia, consisting of companies, cooperatives and informal groups. PSCs with links to the old regime and little respect for the rule of law operate alongside PSCs attempting to emulate the professionalism and accountability of foreign private security companies, although no international PSCs currently operate in Serbia. Companies range from two man teams of private investigators working from small rural homes and offices in provincial towns to well structured firms of 1,600 employees providing static protection, rapid response and body-guarding services. As there is still no legislation governing the private security sector and no regulatory obligation to register a PSC, estimating the overall size of the industry is difficult. Informed sources estimate that there are approximately 3,200 firms operating across Serbia,⁷⁶ of which only 170 are registered with the Chamber of Commerce,⁷⁷ and that between 30,000 – 60,000 people are employed by PSCs, though the exact number would fluctuate daily given the informal nature of the bottom end of the market.⁷⁸

2 Contemporary security threats

Overall recorded crime in Serbia is low, in comparison with most of its neighbours and European averages,⁷⁹ and minor crime, such as pick-pocketing and drunken and disorderly behaviour is relatively uncommon.⁸⁰ While such low levels of crime may reflect a culture of not reporting crime owing to a lack of trust between the public and the police, it must also be noted that the public appear to genuinely feel safe from most forms of crime.⁸¹ The most significant kinds of criminal activity in Serbia are those engaged in by serious and organised criminal networks, particularly the trafficking and trade in drugs, people and arms. Rade Bulatovic, Head of the Security Information Agency (BIA), confirmed this when he recently stated, 'international organised crime continues to use Serbian territory as a transit route for drug trafficking, illegal migration, and trading in arms'.⁸²

⁷⁴ The most infamous of these groups are Arkan's 'Tigers' and Vojislav Seselj's 'White Eagles' or 'Cetniks'. Final Report of the United Nations Commission of Experts Established Pursuant to Security Council Resolution 780 (1992), S/1994/674, 27 May 1994 and Annexes, Volume 1 - Final Report and Annexes I through V.

⁷⁵ Foreign direct investment in 2003 was €1.1 billion, or 5.8% of GDP, and analysts estimate that a further €500 million was invested up to December 2004. *Serbia and Montenegro Stabilisation and Association Report 2004*, Commission of the European Communities.

⁷⁶ Peric-Zimonovic, V. 'Private eyes watch over market', Inter Press Service News Agency, 26 August 2004.

⁷⁷ Chamber of Commerce, Belgrade, 'Privredna Komora Srbije', 2004. Quoted in *Living with the Legacy – SALW Survey of the Republic of Serbia*, UNDP, 2005.

⁷⁸ Dragisa Marinkovic, General Manager of DMD Systems believes there are around 33,000 people working in private security agencies in Serbia. Quoted in Simpson, J. op cit. The MuP registry of firearm licenses is another potential indicator of the size of the private security workforce. Although no category of license especially is dedicated to private security firms, there is a category for 'Legal Entities'. Whilst this category includes commercial hunting associations as well as private investigators, it is probable that the large majority of the 47,528 licensed firearm holders within this category are employed by PSCs

⁷⁹ MuP 2003 Activity Report, available at www.mupsr.gov.yu, accessed 24 June 2005.

⁸⁰ Author's experience.

⁸¹ Quoted in *Living with the Legacy – SALW Survey of the Republic of Serbia*, UNDP, 2005, p 39 - 41.

⁸² Beta News Agency, 'Serbian Secret Police Chief Describes Security Situation as Stable', 01 July 2005.



Significantly, there is a general belief amongst the Serbian public that as long as they remain out of the political environment or out of organised criminal circles they are unlikely to become victims of crime.⁸³ Ministry of Interior (Mol) figures would appear to confirm this perception. The Mol's 2002 Activity Report documents the 166 recorded murders in Serbia in that year. In the majority of cases victims or perpetrators of murders were people generally thought to be connected to organised crime or those caught in the crossfire.⁸⁴

However, the threat of assassination constitutes a very real threat for a number of high profile figures. During the late 1990s and early 2000s Serbia was witness to a number of assassinations of high profile politicians, such as Serbian Renewal Movement members Zvonko Osmajlic and Vucko Rakocevic and Mol official Bosko Buha, high profile businessmen, such as Yugoslav Airlines Director Zivorad Petrovic, and high profile criminal bosses such as the notorious Serbian paramilitary leader Zeljko 'Arkan' Raznatovic. These killings culminated in the assassination of the reformist Prime Minister Zoran Djindjic in March 2003. The Prime Minister's assassination was followed by a state of national emergency and a three-month anti-organised crime operation by the security services titled 'Operation Sabre'. Although there has been a reduction in the number of assassinations and attempted assassinations since the start of 'Operation Sabre', some high profile killings have still occurred. Recent examples include the March 2004 murder of an eyewitness to the Djindjic assassination, the July 2004 murder of a bodyguard to a suspect in the Djindjic case and the October 2004 assassination attempt on the discredited businessman Andrija Draskovic.

While the number of assassinations and armed homicides (88 in 2002) has fallen in the last two years, the number of armed robberies has increased, reaching 4,149 in 2003.⁸⁵ The majority of these have targeted banks, post offices, state buildings, supermarkets and transporters of cash and valuables.⁸⁶ As a result, banks in Belgrade now regularly employ at least one armed and highly visible static security guard, generally supported by a team of rapid response security personnel⁸⁷ while private banks increasingly use private security companies to secure cash transportations.

There is a large discrepancy in the rate of violent crime between the different regions, with approximately 80 per cent of criminal activity occurring in Serbia's three largest urban centres - Belgrade, Nis and Novi Sad.⁸⁸ The public's perception of security reflects these statistics, with most people considering these three cities to be more dangerous than their own communities.⁸⁹ It is, therefore, unsurprising that the majority of PSCs have a presence in these major urban areas. The highest concentration of PSCs is found in Belgrade, which is both the centre of commercial and criminal activity in Serbia. More than 100 companies are known to operate in Belgrade⁹⁰ and all large PSCs in Serbia have a presence in the city. The largest and most successful PSCs in Belgrade include Pro-Gard, FTO, Pro Tech, INEX Obezbedjenje and Sigurnost.

3 Services provided by Private Security Companies

The services offered by the private security industry as a whole can be divided into three categories: a) asset protection, including static security, rapid response and the transportation of cash and other items with high material value; b) bodyguard and close personal protection services to businessmen, politicians and high profile or high vulnerability individuals; and c) private detective investigation, including services that detect lost persons or property. Within these areas the quality and range of services afforded by individual companies varies greatly.

⁸³ *Public Perceptions Survey*, Strategic Marketing and Media Research Institute, August 2004, p 23.

⁸⁴ MuP Activity Report 2002, available at www.mupsr.gov.yu, accessed 24 June 2005.

⁸⁵ More recent figures are not available.

⁸⁶ Examples include the Zemun Post Office on 25 November 2003, the Vero supermarket in New Belgrade in January 2004; and the Eksimbanka in New Belgrade in January 2004. 'Sorting the criminals from the police', B92, 10 October 2004.

⁸⁷ Author's experience.

⁸⁸ Interview with Bozidar Prelevic, former acting Minister of Internal Affairs/ NGO 'Lex' (League of Experts) Executive, Belgrade, March 2005.

⁸⁹ *Living with the Legacy - SALW Survey of the Republic of Serbia*, UNDP, 2004, p 39.

⁹⁰ 'Gorila U Gazdinom Sakou', Playboy Srbija I Crna Gora, Halilovic et al., July 2005, p 29. NB: Consultations with UN sources confirm the validity and accuracy of this report.



3.1 Asset protection services

The majority of PSCs in Serbia offer asset protection services. It is estimated that 40 per cent of this market is shared between fifteen large companies of more than 100 employees, most of which operate from Belgrade.⁹¹ The largest of these is Pro-Gard Securitas, which employs 1,600 security officers and has contracts to secure close to a thousand commercial sites.⁹² A significant proportion of the remainder of the asset protection market is controlled by in-house security services. In-house security services exist where an organisation, business or individual hires, trains and manages its own security staff. US Steel appears to be one such company operating an in-house security team.⁹³



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PROGARD Security Search Team at Hyatt Regency Hotel, Belgrade, 2005

A small number of PSCs provide property and personal protection to the international sector, comprised of foreign owned and managed businesses, organisations and embassies. In exchange for more lucrative contracts, the international sector demands a professional service, comparable to standards in the UK or US.⁹⁴ Between ten and fifteen firms are thought to meet the required international standards and are in a position to vie for business from the international sector.⁹⁵ The influence of international firms, demanding enhanced standards from domestic PSCs, has had a positive impact on the industry as a whole, as the incentive now exists for self-regulation through enhanced operational standards, training requirements and codes of conducts.

3.2 Bodyguard services

The demand for close protection and bodyguard services in Serbia is growing despite the improved security situation. This is perhaps unsurprising given the legacy of high profile assassinations in Serbia. Most of the major Serbian PSCs offer close protection or bodyguard services and in Belgrade alone there are approximately 100 PSCs offering these services.⁹⁶

Clients that employ bodyguards do so either for reasons of necessity (i.e. they perceive themselves to be genuinely vulnerable) or for reasons of vanity. The salaries bodyguards are able to command reflect the seriousness of the threat faced by their employer. Professional trained bodyguards are paid an average of €1,000 per month (four times the average salary in Serbia), including the agency fee. Those who are not trained in firearms use or that have not completed an internationally recognised close protection course may earn as little as €200,⁹⁷ while experienced bodyguards for the most 'at-risk' individuals may earn up to €2,000.⁹⁸ The most experienced bodyguards can also expect to receive clothes, mobile phones and per diems.⁹⁹ Consequently, bodyguarding is increasingly viewed as a glamorous profession for young men with few other vocational opportunities.

3.3 Private detective agencies

Almost all firms that offer private investigation services are small and informal companies with only a handful of employees.¹⁰⁰ In fact, many of the companies working in this market have no full-time employees, relying instead on a network of contacts that effectively act as consultants when work arises.¹⁰¹

⁹¹ Simpson, p 4.

⁹² Ibid, p 9.

⁹³ Author's experience.

⁹⁴ Interview, Prelevic.

⁹⁵ Simpson, p 5.

⁹⁶ Halilovic, p 30.

⁹⁷ Anonymous interview with an employee of a Belgrade based PSC, February 2005.

⁹⁸ Simpson, p 9.

⁹⁹ Halilovic, p 29.

¹⁰⁰ Simpson, p 3.

¹⁰¹ Ibid, p 5.



The range of services that private investigation firms offer includes corporate due diligence and intelligence gathering, searching for missing and kidnapped persons and surveillance for a wide variety of clients, both foreign and domestic. The ongoing privatization process means that corporate intelligence gathering is a growth area for private investigators.¹⁰² Because of the secretive and informal nature of these PSCs it is difficult to gauge the full nature of their activities. Industry insiders claim that reputable firms, despite requests from some clients, do not employ force.¹⁰³ The same sources claim that most private detectives do not carry firearms although they are legally permitted to do so.

4 Affiliations between PSCs and other sectors

4.1 Security sector affiliations

There are a number of strong informal connections between PSCs and Serbian security structures. Most PSCs, such as Pro-Gard Securitas, are managed and directed by retired police officers.¹⁰⁴ Further, as in the rest of SEE, PSC personnel are disproportionately likely to come from state law enforcement and security services.¹⁰⁵ A limited survey conducted for this report revealed that around 40 per cent of employees working for the top five PSCs were previously employed by the Serbian police service. These former police officers and security services personnel will have informal links to the state security services. While it is not necessarily problematic to have former state security personnel working for PSCs, it is problematic that serving police officers work simultaneously for PSCs. There have been a number of incidents in which serving police officers have been found moonlighting for PSCs. For example, in 2004 three Belgrade policemen were dismissed and charged after they were discovered working for a businessman with connections to a criminal gang.¹⁰⁶ Officially, the Police Code of Conduct outlaws serving police officers from moonlighting for PSCs.¹⁰⁷ Although no study has been undertaken, it is also believed that a large number of former armed forces personnel are being attracted to the private security sector.¹⁰⁸

While private detective work and static security is usually carried out by personnel with law enforcement backgrounds,¹⁰⁹ the close protection and bodyguard services for high profile individuals are often carried out by former security service personnel, often drawn from the disbanded Special Operation Unit (JSO).¹¹⁰ A variety of sources also pointed to the continued presence in PSCs of paramilitaries from the war in Bosnia.¹¹¹ In the case of the Lupus Security Agency, owned by the wife of the man accused of Prime Minister Djindjic's murder, all security personnel are former members of the JSO.¹¹²

4.2 Political affiliations

A number of political parties employ PSCs for private security provision. Both the Radical Party (SRS) and the Yugoslav Left (JUL) are known to use PSCs for their own perceived security needs.¹¹³ While ministers receive protection from members of an elite company of the army,¹¹⁴ the majority of politicians do not have access to the state security apparatus. As politicians remain genuinely vulnerable to political and criminally motivated

¹⁰² Anonymous interview with an employee of a Belgrade based PSC, February 2005.

¹⁰³ *Ibid.*

¹⁰⁴ Simpson, p 2.

¹⁰⁵ *Ibid.*, p 4.

¹⁰⁶ 'Sorting the criminals from the police', B92, 10 October 2004.

¹⁰⁷ Republic of Serbia Mol Code on Police Ethics, Article 7 of 'Law on Internal Affairs', August 2000, Article 25.

¹⁰⁸ Interview, Marko Malijkovic, 12 December 2004

¹⁰⁹ Simpson, p9.

¹¹⁰ As in the case of the Lupus Security Agency, quoted in VIP News Service, Daily News 18 May 2005.

¹¹¹ VIP News Service, Daily News, 08 May 2005.

¹¹² VIP Daily News Report, Issue No 3080, p 2.

¹¹³ Simpson, p9.

¹¹⁴ Interview, Aleksandar Radic, Journalist, VIP News, 03 July 2005.



violence, some political figures do require a level of protection that the state security services are unable to provide. The use of PSCs by political actors does, however, raise concerns of political intimidation, particularly in smaller communities¹¹⁵ and could also provide an explanation for the lack of political will in tightening the regulations on private security companies.

4.3 Organised crime affiliations

While more secure and stable than at any time in the last fifteen years, Serbia continues to face a number of obstacles to its transition process that if mismanaged pose the potential to threaten further stability. Of these, organised crime ranks amongst the most serious. Its reach may be reduced, however the effects of organised crime continue to weaken the state, imperil nascent democracy and crowd out the legitimate sector. The scale of organized crime and the cost it infers socially and economically is hard to measure but in Serbia it is by all accounts significant. A recent survey by the Serbian Statistical Office indicated that the grey economy accounts for approximately 9% of GDP, although when illegal activities such as prostitution, drug trafficking and piracy violations are included, the true figure could be between 20 – 25% of GDP.¹¹⁶

Organised crime in Serbia is undergoing a period of transition, one significant aspect of which is the attempted legitimisation of ill-gotten capital.¹¹⁷ Organised criminal networks are no longer certain of support from state structures to facilitate their activities and have consequently had to find new ways to insulate their businesses. As a result, organised criminal groups have used private security companies as fronts for criminal activity. The Belgrade Special Court, designed to try those accused of serious acts of organised crime, is currently unravelling the extensive and complex relationship between established organised criminal networks, private security firms and those connected to former state structures. Further research would be needed to determine the extent of this problem.

5 Regulation and conduct

5.1 Legal basis for control of PSCs

In contrast to the rest of SEE, there is a near total absence of regulatory control of the private security sector in Serbia. Although it is unlawful to run a business and employ staff without registering with the Serbian Business Registers Agency, private security providers are not legally obliged to register as a 'private security company'. Every PSC that has staff members will be registered with the Serbian Business Registers Agency as an incorporated legal entity, although it is likely that very small informal 'firms' that provide *ad hoc* PSC type services will not be registered, have company names or any of the other legal characteristics of a company. Currently the only advantage of registration is that it provides legitimisation and evidence of professionalism, especially to potential clients from the international sector. A list of those private security firms operating in Serbia that have chosen to register is available from the Chamber of Commerce.¹¹⁸ A large number of smaller and informal PSCs – such as Lupus for example - do not appear on this list.

According to sources in the PSC industry, the MoI does 'inspect and observe the work of all PSCs'.¹¹⁹ It was not possible to corroborate this or analyse the process of oversight, as MoI officials were unavailable for comment. It is also presumably difficult to inspect PSCs and their activities when there exists no definitive list of those companies providing private security services. At most the MoI would only be able to ensure that PSCs meet the same requirements as any other legal entity registered with the Serbian Business Registers Agency but could not regulate their actions as private security providers.

¹¹⁵ Interview, Prelevic, Op Cit.

¹¹⁶ <http://www.srbija.sr.gov.yu/vesti/vest.php?id=5118>, 15 September 2004.

¹¹⁷ Interview, Aaron Presnell, Jefferson Institute, Belgrade, 16 November 2004.

¹¹⁸ Privredna komora Srbije.

¹¹⁹ Interview, anonymous PSC employee, Belgrade, January 2005.



5.2 Use of force and firearms

There is no distinct legislation covering the licensing and use of firearms by PSC employees. Private security guards need only fulfil the same legal criteria as any other Serbian citizen licensed to own and carry firearms. The legal provision governing firearm possession is the 1992 'Law on Weapons and Ammunition'. Article 17 of this law regulates companies, institutions and other legal persons that possess firearms for the purpose of 'performing physical protection and objects' protection' and is therefore applicable to private security companies. Article 17 forbids firearms holders from carrying automatic pistols, although they may possess automatic and semi-automatic rifles. Some 2,395 rifles are licensed under this legal provision.¹²⁰ Those holding firearms under Article 17 may acquire firearms ammunition 'in quantities necessary for their work or activity', which is probably at the discretion of the licensor.

The type of firearm carried by a private security guard will vary and is dependent on the type of security being provided although generally there are only two services that warrant a firearm being carried.¹²¹ For a transfer of money between two different geographical locations, guards tend to travel using long barrelled guns such as rifles or the AK-47. When protecting a property or person, PSC employees tend to carry a sidearm. Larger firearms are unusual except in the case of an embassy or building at risk of terrorist attack. The majority of PSC employees that are armed carry 9mm semi automatic revolvers.¹²² Exceptions to these practices are thought to exist especially with in-house security arrangements, where rules and regulations are at the discretion of the individual in charge of security policies, or in the smaller PSCs that employ less staff.

Article 17 stipulates that firearms holders must be medically fit and trained for arms handling, be mentally capable and without a criminal record.¹²³ While PSC employees cannot legally own a firearm if they have a criminal record, this is not a sufficient safeguard as the 1990s witnessed a near collapse in the law and order and judicial processes with criminals such as 'Arkan' being actively employed by the state. It is therefore highly probable that a number of persons that committed criminal acts during the 1990s and have not had criminal proceedings brought against them are presently employed as private security guards.

Article 17 further stipulates that the individual rather than the company receives the firearm permit and only those people named as being responsible for the protection of persons or objects are permitted to hold weapons. Firearms holders may only carry their weapons while performing their professional duties and may not take their weapons home. Firearms holders must hand over their weapons and ammunition within fifteen days of the termination of their employment. Professional PSCs tend to store firearms and ammunition in locked gun cabinets on company premises. According to one PSC guard interviewed for this research, the best run firms in the industry have armouries that are supervised by authorised personnel or shift managers who take responsibility for issuing weapons and ammunition to the guards on duty.¹²⁴

5.3 Oversight

As Serbian security services have allegedly either directly or indirectly participated in the post-Yugoslav wars, including possible involvement in ethnic cleansing and other grave human rights abuses, and the private security sector recruits a majority of its personnel from the security services, workforce vetting is an important aspect of PSC regulation. There are, however, no fixed industry standards and employers take responsibility for establishing their own vetting procedures. The largest and most successful PSCs do have structured vetting processes for their employees. Applicant security guards need to pass a basic medical evaluation and be able to prove they do not have criminal records and are not under investigation for criminal acts. Companies can obtain confirmation of applicants' criminality from local police stations, though some sources claimed that it was 'easy' to have such

¹²⁰ Article 17, 'Law on Weapons and Ammunition', *Official Gazette of the Republic of Serbia*, No 9/92, 53/93, 67/93, 48/94, 44/98, 39/2003.

¹²¹ Simpson, p 14.

¹²² Interview, representative of 'Gordon' security firm, Belgrade, March 2005

¹²³ *Ibid.*

¹²⁴ Interview, anonymous PSC employee, February 2005.



vetting rubber-stamped.¹²⁵ As noted above, there is also the possibility that persons who committed criminal acts during the 1990s and have not faced criminal proceedings are presently working as PSC employees.

5.4 Professionalism and training

As there is at present no legislation regulating the Serbian private security industry, professionalism and training standards vary enormously and are governed by market forces. Although some PSCs provide training for their employees, in most cases this entails one hour of basic training in firearm protocol.¹²⁶ There are, however, examples of professionalism and established training regimes in the private security sector. For example, Pro-Gard cites foreign security organisation endorsement, structured training and full corporate liability insurance as examples of its professional credentials. Each company regulates the use of force and firearms individually, although this must be within the limit of the law. The quality of weapons training provided varies, although all PSC directors consulted for this study insisted that their training programmes were rigorous.¹²⁷ Some independent sources, however, maintain that training often only consists of 'an hour of instruction'.¹²⁸ Other sources claim that there are countless examples of smaller PSCs that are using weapons that are not registered as well as employees who do not know how to use their firearm properly.¹²⁹ Unfortunately, the limited scope of this study meant a full comparative analysis of industry standards was not possible.



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As PSCs have increasingly provided private security services to foreign companies, which demand high levels of professionalism, there has been growing support for both industry self-regulation and national legislation governing the private security sector. A range of Serbian PSCs are presently members of two voluntary regulatory mechanisms that introduce minimum standards for the private security industry - the Code of Ethics of the American Society for Industrial Security (ASIS) and the International Bodyguard and Security Services Association (IBSSA). The ASIS Code stipulates that security personnel obey the law, are honest, act with diligence and care, exercise discretion with confidential information and 'protect their professional reputation'.¹³⁰ While the adoption of this code by firms such as Pro-Gard is a step forward, it is insufficient to guarantee the proper conduct of PSCs and their employees. The IBSSA provides a more substantial regulatory mechanism. This association is a non-profit association that provides technical support and training to PSCs in areas such as VIP Security, bank security, diplomatic security, event security, investigation and administration. The organisation has a training centre in Vracarevic and some of the more professional PSCs in Serbia have attended training there.

6 Conclusion and recommendations

Judged in numerical terms, Serbia has one of the larger private security sectors in the SEE region, with PSC personnel outstripping the number of police officers in the country. Given that the industry is almost entirely unregulated, this is a serious cause for concern, and an issue that both government and the international community should look to address. The Government of Serbia in particular should consider the options for regulation without delay. The legacy of insecurity in Serbia means that PSCs will continue to play a central role in Serbia's transition and expansion processes. This means that while there are a few professional companies providing a necessary service to a range of clients, there is a sizeable sector of the industry that poses a serious

¹²⁵ Interview, Slobodan Pejic, former Chief of Security at the Ministry of Interior who established a private investigation agency DEZA in 2003, March 2005.

¹²⁶ Halilovic, Op Cit.

¹²⁷ Interview, Hajdukovic.

¹²⁸ Halilovic, Op Cit.

¹²⁹ Interview, Hajdukovic.

¹³⁰ www.asisonline.org



security risk to the public, business and the state. Further, as is the case in some other countries, the PSC industry in Serbia is expanding in parallel with the economy, fuelled by new investment and the legitimisation of black market capital. In such circumstances delaying the introduction of legislation will only store up problems for the future.

While the industry remains largely shrouded in secrecy, the few public examples of complicity between PSCs, criminal organisations and certain elements of state mechanisms provide also provide a compelling rationale for regulation of the industry. In spite of the self-regulation already underway at the upper end of the market, the absence of state legislation means that a number of unscrupulous PSCs continue to shelter criminals and their activities, with a potentially destabilising effect on the country. As the experience of neighbouring Bulgaria and Croatia has shown, the introduction of legislation, backed by even modest levels of enforcement, can bring about tangible improvements to the security environment.

6.1 Main recommendations

- The Government of Serbia should develop specific legislation regulating the private security industry. The legislation should make provisions for dealing with immediate priorities identified in this report such as:
 - A requirement for PSC personnel to acquire licences and for detailed background checks to be carried out on PSC owners and employees.
 - A requirement for all companies to register and receive time-limited licences.
 - A requirement for firearms in use by PSC staff to be licensed to companies.
 - Clear and detailed stipulations on the possession, carriage and use of firearms by PSC staff in line with international best practice (to include a prohibition on the use of military-style weapons).
 - Provisions for routine monitoring and oversight of PSCs by the Mol/police.
- It is vital that any new regulation examines the links between PSCs and both political parties and organised crime groups. Measures to guarantee the security of prominent public figures need to be combined with laws that are directed at ensuring that individuals who own or work for PSCs have no past criminal record. It is important that this provision should also include spouses or direct family members of PSC owners.
- Joint working agreements between the police and PSCs should be introduced so as to formalise roles and responsibilities and decrease the likelihood of competition between the two sectors.
- State certified training in the minimal use of force and firearms, consistent with the UN Basic Principles on the Use of Force and Firearms by Law Enforcement Officials, should be introduced across the board.
- The OSCE and the wider international community should ensure that they promote effective regulation and oversight of the private security sector as part of their wider contribution to enhancing the rule of law and supporting security sector reform programmes. This could include assistance with the drafting of legislation, with the creation of a training academy, industry code of conduct and the formation of a specialist unit within the Mol to police the sector.
- Greater oversight of the sector is required, and parliamentary committees and an Ombudsman's office should be empowered to scrutinise the sector and deal with complaints about companies and employees.



The Entity of Kosovo

1 Background to the privatization of security in Kosovo

The Internationally Administered Entity of Kosovo (hereafter 'Kosovo') has recently emerged from a period of violent conflict that had its origins in a system of autocratic rule exercised from Belgrade, first under Communism and later under an increasingly nationalist government that struggled to gain legitimacy among predominantly ethnic-Albanian Kosovars. In the course of the conflict, which saw a largely peaceful resistance movement transformed into a violent insurgency dominated by the Kosovo Liberation Army (KLA), thousands of deaths and incidences of ethnic cleansing brought the prospect of regional instability into focus for western powers.¹³¹ The aerial bombing campaign by NATO from March to June 1999, directed at targets across the Federal Republic of Yugoslavia (FRY), ultimately led to a full withdrawal of Yugoslav security forces and the creation of a de-facto UN protectorate from the summer of 1999 onwards, albeit under the auspices of a UN Security Council Resolution 1244/99. This allowed the FRY to retain nominal sovereignty, while implicitly recognising the separation of the territory for the foreseeable future. At the time of writing, Kosovo is facing two significant tests that will together determine its future. In late 2005, a review of Kosovo's progress towards implementing UNMIK's 'Standards for Kosovo' will take place. This key test of democratic readiness should be followed in quick succession by 'Final Status' talks that will determine the ultimate shape and status of Kosovo.

In the years since 1999, Kosovo has absorbed tremendous levels of international aid, which has included significant capacity building and reform programmes for security institutions. However, according to UNSC Resolution 1244/99 and the 2001 Constitutional Framework for Kosovo, the territory's Provisional Institutions of Self Government (PISG) have little or no powers to oversee the Entity's public security apparatus, responsibility for which lies solely within the remit of the executive mandate of the United Nations Mission in Kosovo (UNMIK) as 'reserved powers'. Under this arrangement, key public bodies such as the judiciary, intelligence services, police, prison system, border control and emergency services are beyond the control of Kosovo's fledgling government, and entirely new structures such as the Kosovo Police Service (KPS) have been created and shaped under foreign tutelage. It is in the area of policing that UNMIK can claim one of its greatest successes, forging a largely service-oriented internal security body with 6,000 officers in a short space of time. In other security sectors however, including the justice, correctional and emergency services, capacity building has been slower or absent. One notable omission from the reform process has been the Kosovo Protection Corps (KPC/TMK), an organisation created in September 1999 following an 'undertaking' signed by the KLA Commander in Chief and Commander of KFOR, which stated that the KLA would demilitarise and take on responsibility for civil emergency work.

As of June 2005 however, a wide-ranging Internal Security Sector Review was approved by the Special Representative of the United Nations Secretary General (SRSG), Contact Group and UNSC, paving the way for drastic reforms to the security sector in the Entity.¹³² UNMIK initiatives already well underway for the creation of a MoI and Ministry of Justice (MoJ), as well as a new Police Act may now come under the influence of Kosovars for the first time as a result of the review. For the time being however, information on the regulation, operation and review of the security sector remains limited, and public debate on such subjects has yet to be initiated.

According to UNMIK's Weapons Authorisation Section and Security Providers Inspection Unit (SSPIU), PSCs began operating shortly after UNMIK took over the administration of Kosovo in 1999. In response to the emergence of new companies, legislation regulating PSCs was introduced via UNMIK Regulation (REG/2000/33) on 'Security Service Providers', which entered into force on 25 May 2000. Upon the introduction of UNMIK REG/2000/33, somewhere in the region of thirty different firms applied for licences to operate as security services providers,

¹³¹ For example, approximately 1.5 million ethnic Albanian refugees fled from Kosovo to Macedonia and Albania in 1999. Davis I, *Small Arms and Light Weapons in the Federal Republic of Yugoslavia*, Saferworld, London, 2002, p12.

¹³² The review was conducted by the British Government's 'Security Sector Development Advisory Team'.



only seven of which were successful.¹³³ Two companies, Grays and International Support Services (ISS), were granted licences to operate as armed international security providers.¹³⁴

The five remaining companies, Balkan International, WDG, Trans Balkan Trade, International Procurement and Logistics (IPL) and Black Panther were licensed to operate as unarmed security providers. Those companies whose applications were unsuccessful, and any other firms providing unlicensed security services in Kosovo at the time, were required to end operations by 11 May 2001. Any businesses that had signed a contract with an unlicensed company were advised to change their contracts to one of the seven licensed companies or face sanctions under UNMIK REG/2000/33.¹³⁵ Many of these other companies, such as Black Dragon, Cobra and Eagles, then went out of business or were transformed into new companies that then received a licence to operate.¹³⁶

Of the seven companies initially granted licenses as security service providers, Trans Balkan Trade and Grays are no longer operating in Kosovo, while IPL is now considered an armed international PSC and ISS operates as an unarmed local PSC. The number of total licensed PSCs has increased since 2000 and the industry seems to be flourishing. According to the SSPIU there are currently 22 PSCs licensed to operate in Kosovo; of these four are 'international' PSCs, licensed for firearms, and 18 are 'local' unarmed PSCs. Of the twenty-two licensed PSCs, only 19 are thought to be currently operating.¹³⁷ According to figures from February 2005, these PSCs employed 2,579 security guards, of which 81 were armed internationals working for the three operating 'international' PSCs.¹³⁸ The size of PSCs ranges from four to nearly 1,000 employees. Four firms dominate the sector. Kosovo's largest firm, Balkan International, employs over a third of the entire sector with 978 employees. The next most important firms in terms of size are WDG with 723 employees, Panther Security with 308 employees and Skyftrat with 156 employees.

In terms of areas of operation, according to SSPIU data the majority of PSCs are based in Pristina. Of the seven PSCs based outside Pristina, 5 operate in the Gjilan region and are based in towns located on the main trade routes with Macedonia. The other two PSCs registered with the SSPIU are based in Dragash and North Mitrovica. According to sources in Belgrade, a number of Serbian PSCs also provide services in North Mitrovica, however these apparently operate under Serbian law.¹³⁹ Some of the larger PSCs that are based in Pristina have clients in other towns, predominantly in the Gjilan and Peje regions, both of which have comparatively high levels of economic activity. None of the 'local' PSCs operate in other countries in the region as this is not considered to be economically viable at present.¹⁴⁰

During 1999/2000 PSCs were used by the UNMIK authorities to support the work of the KPS and were considered to be working in parallel as 'colleagues in promoting peace'.¹⁴¹ Since that time however, the KPS has grown in size and capacity, creating a rivalry between the two sectors to the point where PSCs and KPS are 'undeclared enemies'.¹⁴² Nowadays it is apparently more common for PSCs experiencing difficulties and law breaking to enlist the help of other companies rather than the KPS. As described below, legal arrangements that allowed KPS officers to provide PSC-type services were central in creating this atmosphere.

¹³³ 'UNMIK Grants Licenses to Seven Companies to Provide Security Services', *UNMIK Press Release No 573*, 26 April 2001. Available online at: <http://www.unmikonline.org/press/2001/press-r/pr573.html>.

¹³⁴ UNMIK regulations distinguish between 'international' and 'national' companies, permitting the former to possess and use firearms under certain circumstances – see below.

¹³⁵ Op cit UNMIK Press Release No 573

¹³⁶ Interview with Lulzim Elshani, Director of Panther Security, 11 March 2005.

¹³⁷ Interviews with Carlos Meireles, Chief of Weapons Authorisation Section, UNMIK, 16 February 2005 and Frank Rodet, Security Service Provider Inspection Unit (SSPIU), Weapons Authorisation Section, UNMIK, 24 February 2005.

¹³⁸ Information provided by Frank Rodet, SSPIU, Weapons Authorisation Section, UNMIK, 24 February 2005.

¹³⁹ Interview with Belgrade-based PSC, February 2005 (see Serbia section of this report).

¹⁴⁰ Interview with Besnik Berisha, Director Balkan International Security, 15 February 2005.

¹⁴¹ Ibid.

¹⁴² Correspondence with Carlos Meireles, Chief, Weapons Authorisation Section, UNMIK, 19 July 2005; also op cit Besnik Berisha.



2 Contemporary security threats

Six years after the cessation of conflict in Kosovo, the territory still suffers from a number of perceived and real security problems that act as generators of demand for private security services. As well as crime and the fear of crime, Kosovo continues to be affected by ethnic division and intense political rivalry, which contribute to an atmosphere of chronic low-level insecurity. Other contributing factors include the uncertainty over the final status of the Entity, (which adds an air of impermanence to the security arrangements currently in place), difficulties with re-integrating ex-combatants into a struggling economy, and the widespread availability of arms and ammunition. As the events of 17 March 2004 demonstrated, the conditions for large-scale violence still exist in the territory.

Thus, despite the continued deployment of KFOR troops and the steady growth of KPS capacity, Kosovo remains a violent territory. Recent research by the Geneva-based Small Arms Survey concluded, 'the security and safety of civilians is a serious concern in post-war Kosovo'.¹⁴³ Violence in Kosovo often has a political or ethnic component, including shootings of returnees,¹⁴⁴ and intra-ethnic fighting between rival groups.¹⁴⁵ In addition, Kosovo remains a hub for criminal activity in the region, a phenomenon that is not entirely separate from the territory's other problems. As one report put it, 'political and criminal violence is becoming interlinked through increasingly well-organized crime structures.....business, organized crime, and regular and extremist politics are linked in various ways....The links are strongest in extreme nationalist organizations, which are thought to finance their activities mainly through crime, and most recently through a spate of kidnappings'.¹⁴⁶

Although UNMIK spokespersons stress that the number of recorded murders have reduced by 50 per cent since 2000, other crimes, such as kidnapping, rape and burglary have not.¹⁴⁷ In the past few years civilians and policemen alike have been killed and wounded in outbreaks of violence. Increasingly, businesses are also being targeted.¹⁴⁸ Perhaps unsurprisingly, private security guards are not themselves exempt from attack.¹⁴⁹ The director of one company interviewed during this research reported cases where guards were beaten or kidnapped by thieves in the course of a robbery, 'If thieves want to rob a business or house in Kosovo, nothing will stop them'.

Kosovars interviewed as part of this study continually cited a lack of faith in the ability of the police to respond to security threats as a major cause of insecurity.¹⁵⁰ This acts as a further driver for the increased demand for the provision of private security. While the number of criminal incidents in Kosovo is falling, perhaps reflecting a general process of stabilisation within the province, as long as the level of violent crime in Kosovo remains high, feelings of insecurity will continue to exist, thereby benefiting the private security sector.

¹⁴³ Khakee A and Florquin N, *Kosovo and the Gun: A Baseline Assessment of Small Arms and Light Weapons in Kosovo*, Small Arms Survey and UNDP Kosovo, June 2003, p viii.

¹⁴⁴ An ethnic Albanian shot a Serbian woman, 72, when she tried to move back into her house in Kosovo. Weekly Media Review, 29 Sept – 06 October 2003, www.seesac.org.

¹⁴⁵ 28 October, Weekly Media Review 28 October – 03 November 2003, www.seesac.org.

¹⁴⁶ Op cit Kosovo and the Gun, pp7 and 8.

¹⁴⁷ A press release from October 2003 confirmed that 475 people were killed, 705 wounded and 183 armed robberies had happened in Kosovo in the last year. 'Chappell: UNMIK Police Launch Operation Against Organised Crime', Daily Media Review 20 November 2003; 17 October 2003, Weekly Media Review 13 - 20 October 2003; www.seesac.org.

¹⁴⁸ A somewhat extreme example of the kind of threats that businesses face in Kosovo occurred in November 2004 when a large shopping centre was blown up by a car bomb. 'The successful business, a target of a terrorist attack', *Economic and European News*, Office of the DSRSG/Department of Public Affairs, 11 November 2004.

¹⁴⁹ In one incident, a Panther guard had seen a thief breaking into a building near where he was guarding and had reported the break-in to the Kosovo Police. After two hours the thief was released by the Police, who had told the thief they were tipped off by the Panther Security Guard. The thief then returned and beat the Panther Security Guard for informing the police. Interview with Lulzim Elshani, Director of Panther Security, 11 March 2005.

¹⁵⁰ In one case reported to the researchers it took the police around 45 minutes to arrive at the headquarters of an international organisation after a bomb threat had been reported. This was despite the fact that the office concerned was located in a very prominent building only about 650 meters away from a Police Station.



Table 1: Major Crime in Kosovo 2000 – 2001.¹⁵¹

CRIME	NUMBER OF CASES BY YEAR		
	2000	2001	2002
Murder	245	136	68
Attempted Murder	275	225	144
Kidnapping	190	165	106
Attempted Kidnapping	108	91	64
Rape/Attempted Rape	115	133	114
Grievous Assault	226	288	463
Robbery	490	440	365
Arson	523	218	477
Looting	22	6	6
TOTALS	2,194	1,695	1,807

Table 2: Weapons Related Offences in Kosovo 2001 - 2003.¹⁵²

OFFENCE	NUMBER OF CASES BY YEAR		
	2001	2002	2003
Illegal weapons possession	1,661	1,377	1,234
Discharge of firearm	508	396	410
Explosive attack	252	132	111
TOTALS	2,421	1,905	1,755

It is very difficult to obtain verifiable data on the extent to which PSCs have an impact on the level and nature of crime in the areas in which they operate. However, many of the interviewees believed that PSCs have a positive impact on reducing crime levels, primarily by acting as a visible deterrent. An example was given by the Director of Panther Security, who claimed that after the company began working in Prizren, the KPS noticed a 70% reduction in crime in the city. The presence of PSCs also appears to have a positive impact on business confidence¹⁵³ and lowers the insurance rates that companies have to pay.

There have, however, been cases in which shop and bar owners have not contributed to the payment of a security company to guard business premises, and when their property was burgled, the guards protecting the other properties claimed not to have seen anything.¹⁵⁴ A source that wished to remain anonymous attributed this to racketeering on the part of PSCs,¹⁵⁵ however this type of occurrence can also be explained by commercial motivations. This is a difficult issue, as on one hand, PSCs do have a moral responsibility to uphold law and order, while on the other hand, there is a commercial imperative to try to encourage customers to employ their services.

¹⁵¹ UNMIK Crime Statistics for 2000 and 2001, available at <http://www.unmikonline.org/civpol/statistics.htm>. Crime Statistics for 2000 - 2002 also available in 'Major Crime in 2002', UNMIK Police Press Release, 17 January 2003.

¹⁵² Statistics provided in correspondence with UNMIK Spokesperson Neeraj Singh on 08 October 2004. Published in Risser H, 'Disarmament in Kosovo stymied by future security fears', *Jane's Intelligence Review*, Volume 16, No 12, p 41.

¹⁵³ Interview with Ismajal Salihu, Marketing Director, Skyfiterat, 13 February 2005. For instance, after hiring a security company, the owner of Mobishop in Pristina took the bars off his shop window because he 'felt more secure in general'. Interview with Agron Berisha, owner of Mobishop Pristina, 15 February 2005.

¹⁵⁴ Interview with Arianit Ahmeti, Lawyer, 15 February 2005 and op cit Agron Berisha.

¹⁵⁵ Interview with a bar owner, Pristina, February 2005



This ultimately has to mean that a balance is struck so that while a company protects its clients, if their guards see anything in the general environment they should be obliged to report it, as should any other citizen. This is an issue that should be addressed in the development of internal regulations, as in countries with a well-developed and regulated private security industry there is a widely understood responsibility implicit in being a security guard to work towards the public good.

3 Services provided by Private Security Companies

Static security of buildings and goods is the principal service that PSCs are hired to provide in Kosovo. The business community apparently feels a keen need for the additional protection that PSCs offer; many shops employ private security guards and frequently shops on the same street will pool resources to hire a PSC that will guard their premises during the night.¹⁵⁶ As the infrastructure in Kosovo improves, services provided by PSCs are evolving. Increasingly reliable supplies of electricity have led to a rise in the number of customers requesting alarms, supported by 24-hour rapid response units. This service is generally cheaper¹⁵⁷ and minimises incidents of guards being threatened and running away. CCTV is another service that is becoming more popular and one PSC interviewed for this research is preparing to offer GPS services.

An additional public order role that PSCs presently execute is that of securing public events, such as football matches and concerts. The KPS are not hired to secure public events organised by municipalities because it is felt they do not have the resources, time or professionalism to provide adequate security.¹⁵⁸ While there is meant to be a delineation of responsibilities in regards to the provision of security at public events,¹⁵⁹ with PSCs providing perimeter security and the police responsible for crowd control, there is a perception amongst PSCs that in this area they are in competition with the police.¹⁶⁰

In fact the issue of the police taking on the type of duties performed by security guards is an important one that has only lately been addressed in Kosovo. Until very recently, KPS officers were allowed to supplement their income through the 'Secondary Employment Programme'. The KPS Secondary Employment Programme, introduced in 2004 with the approval of UNMIK Police, allowed KPS officers to take second jobs 'where a government, profit-making, or not-for-profit entity has a contract agreement with the police agency for police officers in uniform who are able to exercise their police duties'.¹⁶¹ KPS officers working in the programme were approved by the Deputy Commissioner for Planning and Development, UNMIK Police and had to remain armed and in uniform.¹⁶² Officers carrying out these extra duties were subject to regular inspections on-site by KPS's 'Supplemental Police Unit'. The number of officers who took advantage of Secondary or Off-Duty employment was not insignificant. In 2004, 52 KPS Officers took Off-Duty Employment, while approximately 1,500 KPS Officers undertook Secondary Duty Employment. Types of extra-duty services that may be considered for contracting include crowd control, security and protection of individuals and property and plain clothes assignments. Clients for the Secondary Employment Programme comprise sports clubs, diplomatic liaison offices, government buildings, shopping centres and banks.¹⁶³

Unsurprisingly, the Secondary Employment Programme was seen as problematic by PSCs interviewed for this research, particularly the unarmed local ones, who saw the programme as a threat to their business.¹⁶⁴ As the

¹⁵⁶ Op cit Ahemeti and Agron Berisha. PSCs seem to agree. As one representative put it 'if it wasn't for security companies, half the city would be robbed', op cit Salihu.

¹⁵⁷ €30 a month as opposed to €50 for static security. Op cit Besnik Berisha.

¹⁵⁸ Op cit Salihu.

¹⁵⁹ Nick Booth, Senior Advisor to the Deputy Special Representative of the Secretary General for Police and Justice, UNMIK, 14 February 2005.

¹⁶⁰ Op cit Besnik Berisha.

¹⁶¹ Correspondence with Jill Muncy, Deputy Commissioner of Operations, UNMIK Police, 27 February 2005.

¹⁶² All KPS officers undertaking either Off-duty or Secondary duty work are permitted to retain their service weapon.

¹⁶³ The number of contract agreements per group in 2004 were sport clubs (45), liaison offices (3), shopping centres (5), government buildings (13), museums (2), swimming pools (4), banks (2), music concert organizations (12), open markets (6), travel agencies (1) and others (3). Op cit Muncy.

¹⁶⁴ Interview with KPS officers in Weapons Authorisation Section, 24 February 2005.



Director of Panther Security put it, with so many unsolved criminal cases each year, 'KPS have enough work to do without stealing jobs from the PSCs'.¹⁶⁵ This problem finally came to a head on 21 February 2005, when three PSCs (Balkan International, Securicor, and ISS) brought a court case against KPS under the 'Law on Competition' (Law No 2004/36). The court having ruled in favour of the PSCs, UNMIK-Civpol suspended the Off-Duty and Secondary Employment arrangements soon afterwards.¹⁶⁶

In addition to the security guards employed by PSCs that provide close protection services, there are currently 89 registered 'Bodyguards' in Kosovo, overwhelmingly concentrated in Pristina.¹⁶⁷ Bodyguards are individuals hired by a 'vulnerable person' and licensed with a Weapons Authorisation Card (WAC), which allows them to carry firearms while executing their duties.¹⁶⁸ The existence of the close protection section of the private security market in Kosovo is almost certainly a reflection of the perception that kidnapping and assassination are genuine threats, though fashion and personal image may also play a part. Since 2004 the KPS Protection Unit has been empowered to provide close protection service for VIPs.¹⁶⁹ In general though, officials retain their own bodyguards rather than obtaining KPS protection.¹⁷⁰ This part of the private security market is probably the most problematic in Kosovo. While background checks on individuals are carried out prior to a WAC being issued, there are no criteria that an individual has to meet to become a bodyguard. No training arrangement is in place, and no system exists to monitor the work of these individual bodyguards over and above the weapons they may have been issued by UNMIK. Recent changes to KPS's scope of work will apparently mean it takes on responsibility for close protection of senior government figures and visiting VIPs, alleviating this problem somewhat.¹⁷¹ However, in view of the sensitive and important services provided by bodyguards, action should be taken to regulate and monitor those individuals providing close protection services.

The private security sector in Kosovo is marked by the distinction between 'local' and 'international' PSCs, the different security services they offer and their client base. While there is some degree of overlap in the range of services offered by these two groups, the 'international' PSCs unlike their 'local' counterparts are licensed to provide armed security guards. There are four licensed international firms who are permitted to carry firearms in Kosovo – HAP, IPL, TEPE and Henderson Risk Ltd. Only HAP, IPL and TEPE are, however, currently operating in Kosovo. These international firms presently employ 81 armed security guards. The remaining PSCs are considered 'local', even though a number (e.g. Balkan International and Besa) are owned by international individuals (American and Bulgarian respectively). As these PSCs are operated by and employ local Kosovars, they are not permitted to carry firearms.

Given that international PSCs are allowed to carry weapons, they fill a specific market niche and largely provide highly specialised services. For example, the UK company, Henderson Asset Protection (HAP), a subsidiary of Henderson International, employs Nepalese Gurkhas to provide escorts for transfers of money to banks.¹⁷² Another company, IPL Consulting, provides security solely to international organisations, and currently has a contract with the EAR and the European Commission.¹⁷³

The client base for the wider local industry seems to be concentrated largely on commercial or institutional clients as opposed to individuals. Nevertheless, local firms have a diverse client base ranging from small businesses to municipalities, banks, utility companies, local and international NGOs, development agencies, the OSCE, KFOR and UNMIK. Most of the large international actors in Kosovo, including the UN, OSCE and some large NGOs employ

¹⁶⁵ Op cit Elshani.

¹⁶⁶ Op cit Meireles.

¹⁶⁷ Interview with Nishant Sankale, Weapons Authorisation Card Unit, Weapons Authorisation Section, UNMIK, 24 February 2005; also Op cit Besnik Berisha.

¹⁶⁸ UNMIK Regulation No 2001/7 Sections 1(c) and (d) and Section 3.2.

¹⁶⁹ Op cit Meireles.

¹⁷⁰ Op cit Booth.

¹⁷¹ Op cit Meireles.

¹⁷² Op cit Rodet.

¹⁷³ Interview with Marc Cardinael, Operations Manager, IPL Consulting LTD, 02 March 2005.



PSCs either for technical or static security. As the Head of Security for the European Agency for Reconstruction (EAR) in Kosovo and Macedonia stated, PSCs can respond to an incident much faster than the KPS.¹⁷⁴

4 Affiliations between PSCs and other sectors

4.1 Security sector affiliations

Although there are individual examples of connections between PSCs and security structures (most managers/directors have a military or police background and a former KPS officer now heads the Besa Security Company¹⁷⁵) this research did not uncover evidence of illicit connections between PSCs and the state security actors. There is potential, however, for police officers to be attracted to the private security sector as the average income of public and private security employees is similar. A junior security guard earns approximately €250 per month, broadly similar to police salaries. There is however a marked difference in income at the senior level – the director of a security firm can expect anywhere between €300 and €500 while a senior police officer would expect about €300. The ‘international’ PSCs pay even more, in some cases up to €400-500 per month.¹⁷⁶

A blurring of roles between PSCs, state security and security provided by the KPS represents a more pressing problem. So for example the Courts and the public telecommunications provider ‘Posts and Telecommunications Kosovo’ (PTK) have their own security which is distinct from the KPS and PSCs.¹⁷⁷ Further, in those cases where there is a need for static security for clients considered not appropriate for PSCs, such as government buildings and some diplomatic liaison offices, this security is provided by KPS Security Division, which is comprised of KPS guards who have received a shortened version of police training. As discussed above, until very recently the police also provided security services normally carried out by PSCs.¹⁷⁸ While it is inevitable that there will always be some crossover between government, police and the private security industry services, the experience has shown that this needs to be monitored with great care lest undue competition and tension is created between the police and PSCs. Kosovo’s regulatory authorities should ensure that clear lines of demarcation are established between the roles of the territory’s various security providers at all times.

4.2 Ethnic affiliations

The majority of ‘local’ PSCs only provide services to the Albanian or international communities in Kosovo and therefore have a predominantly Kosovar Albanian workforce. Two PSCs interviewed during the course of this research stated that they have a multi-ethnic workforce. Balkan International has a contract with UNMIK to protect vacant Serb houses rebuilt following the events of March 2004 and provides services within the enclaves, as does Panther Security. Ultimately the needs of having a multi-ethnic workforce are dictated by both the danger of working in an area dominated by another ethnicity and the demands of clients.

4.3 Political and paramilitary affiliations

Kosovo’s political scene is at present dominated by an intense rivalry between political factions, some of which have links to groups of former combatants. As tends also to be the case in countries neighbouring Kosovo, a significant number of PSCs have links with, or employ, former combatants. The recruitment of former fighters into security agencies, public and private, is only to be expected in former conflict zones, and one of Kosovo’s public security bodies, the KPC, was in fact established in 1999 precisely to bring KLA units under control. Again it is difficult to assert whether the employment of former combatants provides proof of significant connections between PSCs and political parties and their agendas, but real or otherwise, the perception of such links certainly exists. Many former KLA fighters are now working as self-employed bodyguards for PSCs or have set up their own

¹⁷⁴ Interview with Head of Security, EAR, 17 February 2005.

¹⁷⁵ Interview with KPS officers in Weapons Authorisation Section, Pristina, 24 February 2005.

¹⁷⁶ Op cit Salihu, Cardinael, and KPS officers working in Weapons Authorisation Section, UNMIK.

¹⁷⁷ Interview with Ed Preston, Deputy Director of the Kosovo Police Service School, 16 February 2005.

¹⁷⁸ Op cit Booth.



companies. For instance, the directors of the firm WDG fought together in the KLA.¹⁷⁹ The director of a leading private security company claims that WDG also has close links to the LDK party, which helped it to access a valuable contract.¹⁸⁰

Panther Security is allegedly also very close to the LDK party, and many former members of the Armed Forces of Kosovo (FARK) paramilitary unit are reportedly employed by the company.¹⁸¹ Any direct connection with FARK has been denied by the directors of Panther who say that this perception of bias may be due to the fact that LDK has in the past hired Panther Security to provide security during elections.¹⁸² Another company, Skyfterat, felt that it was important that they recruited former fighters. They argue that by employing KLA veterans, they are providing them with a source of employment that keeps them out of trouble (usually this group find it very difficult to find employment because of their low level of education, past experience, age etc) and are consequently contributing to stability in Kosovo.¹⁸³

4.4 Organised crime affiliations

As previously noted, organised criminal groups pose a serious and ongoing challenge for the authorities in Kosovo, and the possibility that criminal groups might in some way make use of PSC guards and companies to conduct their business certainly exists. While the potential for connections between the private security sector and organised criminal groups is a problem in any post conflict country, legislation in Kosovo seems to reflect concerns about this problem. The UNMIK 'Police Policy and Guidelines on Security Service Providers (SSPs)' in Kosovo Section 7b (H) states that a PSC permit to operate may be revoked due to it 'being connected or associated with organised criminal gangs or gangs of any kind'. These worries also seem to affect PSCs themselves. Several directors interviewed claimed that any involvement in organised crime would be damaging to their business interests and take measures to vet potential customers.

No direct evidence was found of links between PSCs and known criminal groups during this research. However at least one client organisation that was interviewed stated a strong preference for international PSCs, which they perceive as being less likely to have dubious connections and less susceptible to criminal influence because they possess an external management body.

5 Regulation and conduct

Because of the heavy international presence and the relative youth of the private security sector, Kosovo has some of the most modern and sophisticated PSC regulations in SEE.

5.1 Legal basis for control of PSCs

There are four principal regulations relating to PSCs in Kosovo:

- UNMIK Regulation No. 2000/33 on Licensing of SSPs in Kosovo and the Regulation of their Employees, 25 May 2000;

¹⁷⁹ 'Siguria e Kosoves : fillon ne oborrin tone', <http://www.seguraweb.nl/diskursive/nbeqiraj-02.html>, accessed 23 February 2005.

¹⁸⁰ Interview with the Director of a leading PSC, March 2005.

¹⁸¹ Interview with Friedrich Haas, Political Advisor to KFOR Commander in Prizren, Pristina, 17 February 2005. In the early 1990s, the Kosovo Prime Minister in exile, Bujar Bukoshi, appointed a Defence Minister, Hajzer Hajzeraj, to begin creating a territorial defence organisation, the Armed Forces of Kosovo – FARK. This structure had a strained relationship with the emerging KLA, and effectively lost control by the time KFOR entered Kosovo and the KLA's 'political directorate' under Hasim Thaci took over government in Kosovo. See 'Wag the Dog, the Militarisation and Demilitarisation of the Kosovo Liberation Army', (Bonn International Center for Conversion, 2001).

¹⁸² The Director also claimed that Panther Security has been hired by the PDK party and that they would provide security to any political party that hired them. They claimed that to be closely linked to a political party would be bad for business, by driving away some small business customers who may support other parties. The Director claimed that the company would hire anyone of any political background provided they are qualified to work. The Director also said that a general rule for employees of Panther is 'no politics' while on duty. Op cit Elshani.

¹⁸³ Op cit Salihu.



- UNMIK Police Policy and guidelines On the operation of Security Service Providers (SSPs) in Kosovo;
- Business Registration Unit Administrative Instruction No JIAS/BRU/AI/2000/1. (On general requirements for license to operate a business); and
- UNMIK Regulation No. 2001/7 on the Authorisation of Possession of Weapons in Kosovo, 21 February 2001 (includes licensing of bodyguards).

These regulations govern the individual companies as well as their employees. In Kosovo all PSCs must be registered with, and issued a business licence by, the Ministry of Trade and Industry. Once a PSC has received a business licence, it must register itself and its employees with the SSPIU and then apply for an individual licence for each employee.¹⁸⁴ There is a requirement for background checks for individual employees of PSCs.¹⁸⁵ The checks, among other things, require that an employee: must not have documented connections to criminal activity or criminals as identified by background checks conducted by UNMIK Police; must not have been found guilty of an automatically prosecutable crime; and is not to have been found guilty of a crime that UNMIK Police consider as unacceptable to the activity of the role of a PSC.¹⁸⁶

There is no immunity agreement for the international PSCs operating in Kosovo. If an international employee of an international PSC violates Kosovo law, they are then subject to prosecution in Kosovan courts.¹⁸⁷

5.2 Use of force and firearms

The key issue in terms of the use of force and firearms by PSCs is the difference between domestic and international companies. The private security sector in Kosovo, and the range of services it provides to combat contemporary real and perceived security threats, is distinguished from the sector in other SEE states by the distinction made between 'international' PSCs, whose employees are permitted to carry firearms, and 'local' PSCs, whose employees are not. A PSC qualifies as 'international' if it is owned and staffed by internationals excluding citizens of the states of the Former Yugoslavia or countries neighbouring Kosovo.¹⁸⁸ A PSC is classified as 'local' if it employs local staff from Kosovo. However if individual security guards within a local PSC are properly trained and approved by SSPIU, that PSC may be authorised to use batons, chemical sprays and handcuffs.¹⁸⁹

According to UNMIK Regulation 2000/33, Section 3, weapons may only be carried by authorised internationals during periods of official duty as specified in the permit. The licensee must notify the SSPIU of all weapons in its possession and provide details of the international staff to whom the weapons are assigned. The regulator must approve the number of firearms that a PSC can hold. Weapons must be stored in an armoury or other secure facility approved by the SSPIU and must be returned to company storage facilities at the end of duty each day. Ammunition has to be kept separately, in a secure container away from the weapons.¹⁹⁰

Only uniformed security guards may carry weapons and they must carry an I.D. card that will be annotated as such in the 'status' category of the card. The PSC must keep a written register that includes: an individual signature for each weapon entering or leaving the armoury; the date and time of drawing or returning the weapon; the duties on which the employee was assigned; and the records of weapons and ammunition inventories subject to

¹⁸⁴ 'UNMIK Reg/2000/33', Section 1: Issuance of Licenses and Section 2: Registration and Issuance of Permits. 'UNMIK Police Policy and Guidelines on the Operation of Security Service Providers (SSPs) in Kosovo', Section 3: General Regulations.

¹⁸⁵ 'UNMIK Reg/2000/33', Section 2.2

¹⁸⁶ 'UNMIK Police Policy and Guidelines on the Operation of Security Service Providers (SSPs) in Kosovo', Section 4a: Requirements for employment in Security Service Providers.

¹⁸⁷ Interviews with Piotr Zavgorodni, Senior Legal Officer, UNMIK, Pristina, 16 February 2005; Carlos Meireles, Chief of Weapons Authorisation Section, UNMIK, Pristina, 16 February 2005; op cit Rodet.

¹⁸⁸ 'UNMIK Reg/2000/33 on Licensing of Security Service Providers in Kosovo and the Regulation of their Employees', 25 May 2000.

¹⁸⁹ 'UNMIK Police Policy and Guidelines On the operation of Security Service Providers (SSPs) in Kosovo'; Op cit Rodet.

¹⁹⁰ 'UNMIK Police Policy and Guidelines on the Operation of SSPs in Kosovo', Section 6d. 'Regulation and Control of Weapons for Armed Services', 1. Armouries: The SSPIU must approve armouries for the secure and safe storage of weapons. Weapons must be stored in an armoury when not in use. Weapons may only be checked out of the armoury for the duration of the employees shift, and must then be returned. Ammunition is to be kept separately, in a secure container from the weapons.



inspection by law enforcement officials at any time.¹⁹¹ However, there are no restrictions on the type of firearms that international PSCs can use in either Regulation 2000/33 or in the UNMIK Police Policy and Guidelines.¹⁹²

Kosovan residents, while not permitted to carry arms while working as security guards for PSCs, are permitted to carry arms if working as independent bodyguards, provided they have obtained a WAC.¹⁹³ Bodyguards are only permitted to carry their firearm while on bodyguard duty. Since the bodyguards are employed on an individual basis, they do not fall under the Reg/2000/33 on PSCs, but rather are governed by UNMIK Reg/2001/7 on Weapons Authorisation.¹⁹⁴ If the individual also works at a 'local' PSC, (s)he is not permitted to be armed while working at that PSC.¹⁹⁵ Vulnerable people granted a WAC or those employing bodyguards with WACs are generally high profile and include politicians, businessmen, witnesses and some judges.¹⁹⁶

An employee of a PSC can make a citizen's arrest under Article 191(4) of the Criminal Code of the Socialist Former Republic of Yugoslavia No 1410, dated 24 December 1977. In cases where arrests have been made the law enforcement agencies (LEAs) must be notified immediately. As is the case with the Police, a security guard can only use force when it is essential to the performance of his duties and when there are no other alternatives. When force is used it has to be applied on a graduated scale depending on the threat posed. If a security guard uses any force, the circumstances must be reported to the LEAs who may conduct an investigation to determine whether the force was or was not justified (see Table 3 below).

Table 3: Guidelines for PSCs on the use of force. ¹⁹⁷

LEVEL OF THREAT	LEVEL OF FORCE
Non-verbal intimidation	Guard presence
Verbal threats	Verbal direction (use of communication skills)
Passive resistance	Empty hand control
Aggravated aggression	Intermediate weapons

A number of cases are on record in which security guards have employed excessive force in carrying out their duties. Such excessive use of force is often justified by the assertion that, as 'national' staff are unable to carry guns, excessive force is the best way they can assert their authority and act as an effective deterrent to potential criminals. However, the very fact that these statements have been made openly implies that there is reason for concern over how rigorous regulations dealing with the use of force by private security guards are being enforced.¹⁹⁸ Therefore it is important that the regulatory authorities consider the possibility of tightening enforcement, as while the regulations are in keeping with the UN guidelines, they are of limited use if they are not implemented on the ground. The differentiation between 'international' and 'local' PSCs, while understandable, is problematic. As the industry develops it is inevitable that the issue of permitting local PSCs to carry arms will be raised.

¹⁹¹ 'UNMIK Police Policy and Guidelines on the Operation of SSPs in Kosovo' Section 4d Regulation of Activities: Arrests and use of Force. Section 6d. Regulation and Control of Weapons for Armed Services and UNMIK REG/2000/33 Section 2: Registration and Issuance of Permits (Sections 2.4 and 2.5 govern issue of permits to international staff for weapons) and Section 3: Regulation of Weapons Owned by SSPs.

¹⁹² According to UNMIK REG/2001/7 on Authorisation of Possession of Weapons, Section 3.6, 'WACs shall be issued for sidearm pistols and, in exceptional circumstances WACs may be issued for short-barrelled automatic weapons if, in the particular case, the Threat Assessment Committee assesses that there is a need for such weapons'. Section 3.7 deals with ammunition, 'authorised ammunition shall be standard, full-jacketed, military type ball ammunition which shall not be altered in any way from its original factory configuration. No other type of ammunition including semi-jacketed, flat-head, hollow-point or others may be authorised'.

¹⁹³ This WAC can be applied for by all Kosovan residents and not just those intending to work as bodyguards. Generally WACs are only granted to those residents who are perceived to be under immediate danger (judges etc).

¹⁹⁴ Op cit Zavgorodni and Carlos Meireles, 16 February 2005.

¹⁹⁵ Op cit Sankale.

¹⁹⁶ Op cit Sankale and Zavgorodni.

¹⁹⁷ 'UNMIK Police Policy and Guidelines on the Operation of SSPs in Kosovo', Section 6d, Regulation and Control of Weapons for Armed Services.

¹⁹⁸ Op cit Ahemti.



5.3 Oversight

Preliminary though it is, the research conducted for this report has suggested that the laws on PSCs are generally enforced. This is commendable considering the challenges that UNMIK Pillar One faces in managing and overseeing the conduct in Kosovo of all security forces which comprise over 10,000 security sector personnel (both international as well as indigenous), most of them armed. UNMIK are assisted in this in that each PSC company has its own internal regulations and policies covering issues including what staff are permitted to do, how many hours they work and their reporting procedures. According to PSC representatives interviewed for this research, these are usually strict and are generally well enforced by PSC directors.¹⁹⁹ Examples of internal regulations are outlined below:

- Balkan International: Guards are monitored 24 hours a day and have unscheduled inspections. Punishments vary from financial penalties to termination of contracts.²⁰⁰
- Besa: During working hours all guards are supervised by 1st line supervisor, at night the managers supervise. The company also uses a reward system to provide incentives to guards – the worker of the month receives a 10% salary increase and the employee of the year gets an extra month's salary. If guards break rules they are either fined or dismissed, depending on the offence. Light offences include reading/not-wearing uniform. Heavy offences include carrying arms, disrespecting command/demonstrating political connections/threatening people.²⁰¹
- Panther Security has an internal code of conduct of 'Discipline Code' which each hired guard must swear to uphold. According to the Director, the Code is needed to enforce internal regulations and maintain professionalism (e.g. upholding the law, and not sleeping on the job).²⁰²

In terms of enforcing official laws and regulations, one company said that the oversight mechanisms were becoming lax but several other companies interviewed were of the opinion that they were still strictly enforced.²⁰³ Members of SSPIU have also added that since the legal PSCs operating in Kosovo are so competitive, PSCs often report any infringement of UNMIK laws and regulations by their competitors in an attempt to discredit their competitors and gain an advantage in the market. SSPIU, who investigate such cases, claim that most of these allegations have proved unwarranted. However, due to this high level of competition, SSPIU claimed that they would become aware of any illegal PSCs or illegal activity by PSCs.²⁰⁴ This assessment may, however, be overly optimistic as there are indications that PSC employees have used excessive force when carrying out their duties.

Further, while the employees of local PSCs are prohibited from carrying firearms, it is debatable whether this requirement is strictly adhered to in a society with a widespread circulation of SALW.²⁰⁵ There have been incidents when firearms have been found in the possession of employees of local PSCs but licenses to operate were not confiscated. It has been alleged that action has not been taken against the local PSCs and their employees in these cases due to corruption within UNMIK.²⁰⁶ One interviewee (who wishes to remain anonymous) provided anecdotal evidence to this effect by claiming to have witnessed an incident that occurred outside the office of one major PSC, in which a guard pulled a gun on a street seller during a fight. The gun had apparently been lying on the desk in the office and belonged to someone with a WAC card. Although the police were called, there was no follow up to this incident.²⁰⁷

¹⁹⁹ Op cit Salihu and Besnik Berisha. Interview with Driton Asllani, trainer of PSC guards, 14 February 2005.

²⁰⁰ Op cit Berisha.

²⁰¹ Interview with Nuredin Ibishi, General Director, Besa Security, 18 February 2005.

²⁰² Op cit Elshani.

²⁰³ Op cit Berisha, Salihu and Ibishi.

²⁰⁴ Op cit Rodet.

²⁰⁵ Research conducted by the Small Arms Survey in 2002/2003 calculated that there were between 350,000 and 480,000 small arms in Kosovo, excluding those held by international forces. Op cit *Kosovo and the Gun*.

²⁰⁶ Op cit Salihu.

²⁰⁷ Meeting with Ed Rees, Advisor to the Office of Public Safety, 18 February 2005.



5.4 Professionalism and training

The training of security guards is covered by the UNMIK Police Policy and Guidelines on the Operation of Security Service Providers (SSPs) in Kosovo, Section 4c(3). Although not specified in the law, all security guards working in PSCs must take a training course and pass an examination before being approved by UNMIK Police for employment in a PSC. The trainers and quality of training are approved by SSPIU.²⁰⁸ If the PSC wishes to use weapons such as pepper spray, batons and handcuffs, employees must also receive training in their use. The training must meet approval of UNMIK Police (i.e. SSPIU) and trained security guards must receive refresher training every 12 months.²⁰⁹

In contrast, the regulations covering the work of bodyguards do not require any form of training of the type given to security guards in a PSC. Vetting procedures are limited to checks by the WAC Unit, although these are primarily to ensure that the applicant does not have a criminal history. While some bodyguards have received formal bodyguard or security training in Western Europe or Turkey, others are former KLA soldiers.²¹⁰ The omission of a formal training requirement is especially problematic as bodyguards can be licensed to carry firearms.

There does not appear to be any form of trade association for private security guards and bodyguards, although most companies tend to have their own codes of conduct. Encouragement for the establishment of such an association should be considered as an industry-wide code of conduct would be a positive development and help promote professionalism and training.

6 Conclusion and recommendations

It is clear that the private security industry is relatively well developed in Kosovo, despite its youth. PSCs provide an important additional layer of security (which is clearly needed), and it appears that the PSC industry is generally seen as a positive contribution to effective law enforcement. The relationship between the police and the industry needs to be re-examined with clearer demarcations established between the role and responsibilities of the industry vis-à-vis the KPS.

While it is the case that PSCs reflect the societies where they operate, the fact that clearly large numbers of ex-KLA fighters have found employment in the industry is a potential cause for concern. A key consideration here, and one that warrants further investigation is the extent to which entire military 'units' are being recruited into firms, where previous loyalties and war-time practices may override more professional and commercial concerns.

Further, the differing controls over the use of firearms by local and international PSCs seems to be short sighted. While in principle security guards should not be armed, it is strange that bodyguards and international PSCs are permitted to carry weapons while local companies are not. In a society as highly armed as that in Kosovo, it seems utopian to expect that local PSC employees will not arm themselves, even if in theory this is not permitted. If the requirement not to be armed is also not enforced rigorously this can create a significant problem with establishing and communicating acceptable operational standards and practice. Given that the law is almost certainly flouted it is possible that it would be more effective to regulate and control SALW carried by the PSC personnel than to have a situation where some individuals bring their own weapons when they go on duty.

Provided there remains a demand for its services, the private security industry is likely to continue to develop in Kosovo with the number of companies and personnel employed in the sector increasing or decreasing in line with the economy. However, it is predicted that in the long term the larger PSCs will incorporate the smaller ones, as they will be better placed to provide cheaper services to a higher standard and will become more adept at interpreting the rules in their favour.²¹¹ An economic decline might also force smaller firms out of business.²¹²

²⁰⁸ Op cit Rodet.

²⁰⁹ 'UNMIK Police Policy and Guidelines on the Operation of Security Service Providers (SSPs) in Kosovo', Section 4c(3).

²¹⁰ Op cit Meireles, 16 February 2005.

²¹¹ Op cit Salihu.

²¹² Op cit Asllani.



6.1 Main recommendations

- The question of regulated possession of weapons by local PSCs should be revisited. Either existing regulations prohibiting PSCs from possessing firearms should be enforced effectively, or local PSCs should be permitted to carry arms on a similar legislative basis to their international counterparts, provided effective state control and oversight can be ensured.
- A general prohibition on the use of military-style weapons should be introduced.
- It is essential that a framework for vetting, training and monitoring bodyguards be put into place. This should include training and examinations to the highest human rights standards, the introduction of time-limited licences issued according to objective criteria, and ongoing monitoring by the public security sector.
- Clear demarcation of roles should be established between the KPS and the private security industry to avoid the perception of competition between the police and the industry that has undermined cooperation to date.
- The more established PSCs should begin discussions with a view to establishing a trade association for PSCs in order to promote greater self-regulation, ideally to be followed up by agreement on a binding code of conduct based on best practice and internationally agreed human rights standards. Donors and clients should encourage such moves.
- Further research should be conducted into the nature of the links between public security services and PSCs, and the pattern of recruitment of former combatants should be looked into as a matter of urgency.
- Oversight should be gradually broadened and improved by enhancing civilian involvement in the management and scrutiny of the security sector. As a first step, Kosovo's Internal Security Sector Review should include the activities and regulation of PSCs in its remit. In the longer term, the role of Kosovar nationals will need to be enhanced in the ministries of police and justice that UNMIK aims to create by 2006, while parliamentary committees and an Ombudsman should be empowered to scrutinise the conduct of PSCs and handle public complaints.



Regional overview and conclusion

1 Background

In the period since the early 1990s and the fall of communism in South Eastern Europe, the private security industry has moved from a position of virtual non-existence to becoming a presence in every country or entity in the region. While the market in some parts of the region is still relatively undeveloped, in other parts – most notably Bulgaria – the industry has expanded to a point where the number of PSC employees exceeds the police personnel by a significant amount (see Table 1 below). As discussed in the introduction, this pattern reflects the trend seen elsewhere in Europe and the Western world over the last few years. Therefore, it is likely that most other countries and entities in the region will, in the near future, match the present stage of development of the private security industry in Bulgaria.

Table1: Comparison of Police and PSC numbers in SEE

COUNTRY	POLICE	PRIVATE SECURITY GUARDS	RATIO OF POLICE TO GUARDS
Albania ¹	N/A	4,092	N/A
Bosnia and Herzegovina ²	16,000	(Estimate) 2,000	8 / 1
Bulgaria ³	28,000	130,000	1 / 4.6
Croatia ⁴	21,000	(Estimate) 15,000	1.4 / 1
Kosovo ⁵	6,282	2,579	2.5 / 1
Macedonia (FYROM) ⁶	9,789	3,000	3.8 / 1
Moldova ⁷	13,431	(Fully Licensed) 3,000 (PSC Employees) 10,000	1.3 / 1 (PSC Employees)
Montenegro ⁸	4,427	(Legal) 1,900 (Estimate Unregistered) 500	2.3 / 1 (Legal)
Romania ⁹	45,830	(PSC Employees) 37,291	1.2 / 1
Serbia ¹⁰	21,000	(Estimate) 30,000	1 / 1.4

¹ PSC figures from a speech by the General Director of State Police, Leader Bajram Ibraj, in the meeting with PSCs, on 06 November 2004.

² Police figures as of 2003, from: news.bbc.uk/1/hi/world/Europe/2661873.stm PSC estimate as of February 2005 from Muamer Bajraktarević, Sarajevo Canton Inspector for the Ministry of Internal Affairs and Duško Vejnovic, Professor, Advanced School for Internal Affairs in Banja Luka.

³ PSC Figures from Ministry of Interior.

⁴ Figures as of September 2002. See Secretariat Report of the Sub-Committee on Central and Eastern Europe of the Political Committee, NATO Parliamentary Assembly, see: www.nato-pa.int/default.asp?TAB=326, February 2005. Estimate by Ms. Ankica Vrbanc, President, Association of Security Services (with Croatian Employers' Association), and also Director, 'Zagreb-Štit Vrbanc' (Private Security Company), Zagreb, Vlačka 90. Interview held on 17 February 2005.

⁵ Figures from February 2005. See UNMIK: unmikonline.org/pub/news/fact_sheet.pdf. PSC figures from SSPIU, Weapons Authorisation Section, UNMIK.

⁶ Police Figures from 2000. (Source: www.nationmaster.com/country/mk/crime). PSC figures from Interview with Tihomir Nikolovski, Chairman of Chamber for Security of People and Property, Skopje, 28 February 2005.

⁷ Figures from 2000. (Source: www.nationmaster.com/country/md/crime). PSC figures from Ministry of Internal Affairs, (not counting Transdnistria).

⁸ 2001 Police figures from *Small Arms Survey* SALW Survey Republic of Montenegro, 2004, p 8. According to the Survey, the Ministry of Interior of Montenegro was planning to downsize its total police force to 3,000 by June 2004. However, revised police figures are unavailable due to ongoing restructuring. There are no official numbers of licensed PSC guards and there is a sizable unlicensed sector so this is a conservative estimate based on our research.

⁹ Figures from 2000 (source: www.nationmaster.com/country/ro/crime) PSC figures Romanian Police www.politiaromana.ro.

¹⁰ According to the OSCE Report on Policing in the Federal Republic of Yugoslavia in 2001, employees of the Serbian MoI numbered near 35,000, with approximately 21,000 uniformed officers (OSCE 2001; p. 34). This figure suggests a ratio of 2.8 uniformed police officers per 1000 citizens. October 2002 official Ministry figures, however, give a ratio of 2.41. Information from the MoI does not disclose the raw data from which this figure was reached. (See Marijana Trivunovic, 'Police Reform in Serbia', *Geneva Centre for Democratic Control of Armed*



As table 1 indicates, in most countries the private security sector remains quite small. This makes it possible to support improved training and professionalisation at relatively low cost, and the governments of the region should look to improve oversight and regulation of the industry in the immediate future before its natural growth makes the task that much harder. The international community should also seize an opportunity to address outstanding problems in the private security sector in tandem with existing work to promote professionalisation and transparency in the public security sector. For reasons discussed in the introduction, it is disappointing that the importance of this sector has generally not been recognised by those countries and international institutions who have been providing security sector reform (SSR) support in the region. Although relevant to the entire international community, the private security sector in SEE is perhaps of greatest interest to the EU, since a professional and well-regulated sector is vital for the successful development of these countries' economies. In terms of prioritisation, it is clear that Serbia, Montenegro, Albania and Macedonia are all countries where support for the state in regulating and professionalising the private security sector are perhaps of greatest importance.

The findings of this research show that the rapid expansion of the industry in SEE over the last decade has not been without its problems. However, despite the rather chaotic origin of the industry, with the exception of Serbia most countries have chosen to introduce regulation of the industry. While this has not entirely eliminated those companies with links to organised crime, regulation of the industry has generally led to an increase in professionalism and addressed many of the principal concerns that observers had. An important additional factor in this growing professionalism is the fact that, as major international or multinational companies invest in the region, they are also expecting PSCs to operate to European standards. This has added an economic inducement for the industry to professionalise. In recent years the industry has shown signs of consolidation in most countries, leading to a net decrease in the numbers of companies that operate despite an overall expansion in the sector. Such consolidation acts as a further spur to greater professionalism, as larger companies cannot afford to develop a bad reputation and need to operate with far more discipline than a small company.

Domestic PSCs continue to dominate the private security market in the region and very few international firms have a presence there. This is in part due to a prohibition on the operation of international PSCs in many countries. However, in the SEE EU candidate countries, the private security market has opened up to foreign competition and a number of international firms have already entered the market. The most high-profile foreign PSC operating in the region is Group 4 Falk, a Scandinavian company, which is currently the second largest PSC globally. A South East European PSC that operates across the whole region has yet to emerge. Further, with the exception of Kosovo, those international companies that have entered the region have generally done so through purchasing already existing local PSCs.

Despite the generally positive direction being taken in most countries, a number of concerns remain. These are best illustrated in the following matrix, which presents the key findings in this report in a summarised form. The matrix examines some of the key issues addressed in each country study. It shows the areas of greatest concern in dark blue, those areas that need greater attention in light blue, and gives a brief summary of the main outstanding matters according to the research findings in each cell. The judgements made in the matrix and in the following section of the report are made on the basis of a normative framework for the regulation of the private security sector that is described in detail in the introduction to the report, and which all states should strive to employ. However, as in some cases it did not prove possible to access sufficient information on the effectiveness of existing regulation and monitoring by states, some parts of the matrix remain incomplete.¹¹

¹¹ There were additional concerns about a lack of transparency in some countries, though on different issues in each case. Although transparency was found wanting at some point in most countries studied, particular problems were encountered in Moldova, Serbia and Albania.

AREA	ALBANIA	Bosnia and Herzegovina		BULGARIA	CROATIA	FYROM	MOLDOVA	ROMANIA	SCG		
		Yes	Yes						KOSOVO	MONTENEGRO	SERBIA
Licensing of companies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes but not enforced	No
- Objective criteria	No information	Yes	Yes	Yes	No information	No information	Yes but unclear what they are	Yes	No information	Yes	NA
- Background checks	Yes	Yes	Yes	Yes, criminal record checks only	Yes	Prohibitions barring criminals from owning PSC but no checks	Criminal record checks only	Yes	Yes	Yes	No
Unlicensed operators at work	Yes (private individuals)	Officially no, but some evidence that law is flouted	No but loophole exists for companies who establish self guarding units	No	Yes (some small firms)	Incongruity between official numbers and industry estimates make this a possibility	No	No	Yes, probably the majority of companies	Yes	NA
Proven cases of inappropriate links (political, criminal, ethnic, security sector)	Evidence of previous political links	Some evidence of all types of affiliation	Political affiliations, may be residual criminal links	Some evidence of political affiliations	Some evidence of all types of affiliation	No information	Probable organised criminal links	Evidence of paramilitary affiliations	No information	No information	Links with security sector, criminal groups and politics
Licensing of personnel	Yes	Yes	Only if they wish to use firearms	Yes	Yes	Yes	Yes	Yes	Yes	Unclear but technically employees must have passed an exam or be ex-police	NA
- Background checks ¹²	Partial	Yes, but questions on effectiveness	No	Yes	Prohibitions barring criminals from working PSC but no checks except if they wish to carry arms	Yes	Yes	Yes	Yes for security guards only, limited checks for bodyguards	No	No
Licensing of weapons	Licensed both to company and individual guard	Licensed to Company	Licensed to company or to 'sole entrepreneurs' though guards can use them	Licensed to company	Licensed to company	Licensed both to company and individual guard	Licensed both to company and individual guard	New law unclear but weapons may now be licensed to the individual guards	Prohibited for local PSCs. SALW licensed to international PSCs and individual bodyguards	Licensed to company	Licensed to individual
Prohibition of military-style SALW	No	Yes	Yes, but automatic weapons permitted	Yes	Yes with some exceptions also some allegations of use of illegal SALW by PSCs	Yes	Machine guns allowed in some cases	Machine guns allowed in some cases	No	Yes	NO
Law on carriage of SALW	Concealed weapons prohibited	Yes	Yes	Yes	Unclear	Yes	Prohibition on concealed weapons	Prohibition on concealed weapons	Yes	Limited with significant exemptions	Yes
Law on carriage of 'non-lethal' equipment	No information	Prohibited	Permitted	Prohibited	No information	Batons and sprays permitted	Permitted	Permitted	Permitted	No information	No information
Law on use of force / SALW consistent with UN Basic Principles	Further elaboration required	Broadly but does not include first aid training	Yes	Yes	Yes	Yes	Yes	Not elaborated	Yes	Unclear	No basic training standards
Storage of SALW and ammunition	Mixed storage of weapons and ammunition Some home storage	Stored in company armoury	Stored in company armoury	Stored in company armoury	Legal position unclear	Stored in company armoury	Yes	Yes	Stored in company armoury	No information	Yes

¹² How detailed are the requirements for background checks, and are they effectively carried out?

AREA	ALBANIA	Bosnia and Herzegovina		BULGARIA	CROATIA	FYROM	MOLDOVA	ROMANIA	SCG		
									KOSOVO	MONTENEGRO	SERBIA
Known misuse of force / SALW	Isolated cases	None reported	None reported	Some cases of abuse reported	Few reports of abuse	Incidents of excessive use of force	None reported	Isolated cases	Incidents of excessive use of force	Non reported	Some cases reported
State-approved training curricula	State examination, training by individual PSCs	Yes provided by the relevant entity bodies	Yes for new employees but unclear about long term employees	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Minimal use of force included in training curricula ¹³	Varies between different training providers	Yes but no first aid training	Yes		Yes	Yes	Yes	Generally but gap in training with regard to dealing with the general public	Yes	Unclear	NA
Dual roles for police officers ¹⁴	No information	No	Police offer private security services in competition to PSCs	No	No	No	No information	Prohibited	PSC-style services provided to public institutions by KPS Security Division	Common practice for police officers to do private security work when off duty.	Prohibited
Joint police / PSC working arrangements	Some informal joint working arrangements	Some informal joint working arrangements	Yes	Yes	No information	Unclear	Yes	None	No information	Limited to public events	No official agreements
Trade associations	Yes (newly formed)	No	Five different industry associations	Yes	Yes	Yes	Yes	Three different industry associations	No trade association	Only one company seems to have registered with the Chamber of Commerce	Yes
Codes of conduct	No	No	Some associations have codes of conduct	No	Yes	Yes	No	Some associations have codes of conduct	Some companies have their own	Some companies claim to have one but content is confidential	Some companies adhere to international codes while others do not
Police / Mol oversight	Quarterly reporting to police Periodic inspections Annual review of licences	Oversight practised by the relevant Entity/ Cantonal Ministry of Internal Affairs. Some flaws in application	Yes	Yes	Yes	No	Yes	Yes but questions raised about effectiveness of implementation	Yes, but with minimal involvement of Kosovar nationals	Presence of unlicensed operators in the market indicates problematic	Some inspection by the Mol but unclear what
Parliamentary / ombudsman oversight	No	No	Parliamentary powers to oversee Mol not exercised in this area Ombudsman's office not well functioning	Parliamentary powers to oversee Mol not exercised in this area	Parliamentary powers to oversee MIA not exercised in this area	Parliamentary powers to oversee MIA not exercised in this area	Parliamentary powers to oversee Mol not exercised in this area	Parliamentary powers to oversee Mol not exercised in this area	No	Parliamentary powers to oversee Mol not exercised in this area	Parliamentary powers to oversee Mol not exercised in this area

¹³ In accordance with the UN Basic Principles on the Use of Force and Firearms by Law Enforcement Officials.

¹⁴ Can the Police legally work for a PSC? Are any Police working illegally for a PSC?



2 Contemporary security threats

While the crime rates in the region seem to be coming under some control, especially with regards to issues such as assassinations and kidnapping, there continues to exist an environment where PSCs are needed. The principal threats seem to be armed robbery and theft – both types of crime that PSCs can provide an effective deterrent against. Racketeering and other organised crime continue to be a problem in the region, but as the state security sector gains strength this will probably diminish.

3 Services provided by Private Security Companies

PSCs across the region offer largely similar services that reflect worldwide industry norms – guarding offices, factories, and other public buildings as well as providing armed response units and escorting valuable commodities and cash when in transit. Some of the countries in the region display smaller niche private security markets largely directed at the provision of close protection services (bodyguards) and, very rarely, the provision of private security to private homes.

One interesting type of service offered in a number of countries and which represents a potential grey or even illegal area, is surveillance and private detective work. In a number of the countries and entities examined, companies offering surveillance and related services are active. These companies, often staffed by former intelligence and security agents from the communist period, provide some services that are clearly within the remit of this report, including industrial counter espionage, (for example, sweeping offices for surveillance equipment), and the provision of individual bodyguards, (close protection). However, some of these companies also offer more questionable services, such as private detection work, whether to assist people who have marital difficulties or to investigate staff that are suspected of stealing from their employer, through to work that can be classified as ‘industrial espionage’. This sector is largely beyond the remit of this report but its existence and its semi legal/ clandestine status in many parts of the region is such that it merits greater attention and further research.

4 Affiliations between PSCs and other organisations

The issue of affiliation varied from country to country. However, it is a matter of general concern that there were affiliation issues in almost every country or entity in the region. Therefore, it is important that greater attention is paid to the associated problems outlined below.

4.1 Security sector affiliations

The problems associated with the birth of the private security sector were exacerbated in many instances by the emergence of a number of ethnic conflicts and civil disturbances across the region. Inevitably, a large proportion of PSCs’ workforce, especially at the senior end, has a security sector background. The exact situation varies with, for instance, many ex-military forces personnel entering the industry in Bulgaria, while relatively few ex-military forces personnel have entered the industry in Romania. In virtually every country there is evidence of former police officers being employed by the private security industry. The employment of former police personnel by PSCs is not a problem if it is adequately managed. It becomes a problem where either formal or informal links mean that the sector is not properly policed and that excessive use of force or other illegal activities go unpunished. While PSCs do not assist the whole community, by working efficiently within the law they can have a crime prevention effect by allowing scarce public resources to be used elsewhere (though this must be balanced against the prospect of a further withdrawal of public security services as a side-effect). Further, most PSCs are armed and therefore it is vital, if this remains the case, that they should be armed appropriately and that every effort is made to ensure that those firearms they do have are not misused either by the PSC itself or more generally by employees. Therefore, it is important that countries build in monitoring mechanisms and delegate oversight actors to ensure that PSCs and their employees are fulfilling their roles adequately.

In one or two areas, especially Kosovo and Bulgaria, concerns were raised that the private security industry was in competition with the police to an extent. This tended to occur when the police were allowed to compete



alongside PSCs for contracts. This is a situation that should be avoided if at all possible, since PSCs should not be seen as providing policing 'on the cheap'. In some countries, such as Croatia and Bulgaria, there are either state or municipally owned security companies that are in competition with the private sector. While this is of less concern than competition with the police, every effort should be made to ensure that competition is conducted on a level playing field. This means that standards of professionalism as well as cost should be included in tender selection criteria. In terms of police competition with PSCs, it is interesting that in Albania a PSC is not allowed to be more than five percent of the size of the local police. While this does mean that the police will never feel threatened by PSCs, such legislation may prevent the Albanian private security industry consolidating and maturing as it has in other parts of the region.

4.2 Ethnic affiliations

The conflicts of the former Yugoslavia provided significant numbers of ex-combatants who subsequently sought and found employment in the private security industry. This has created a situation wherein ethnically-centred companies continue to work as semi-successor organisations to demobilised armed groups. Kosovo provides one clear example of such affiliations between PSCs and ethnic groups. In divided societies, such as Bosnia and Herzegovina, Macedonia and Kosovo, there was also evidence of sectarianisation within the PSC industry. The case of Bosnia is perhaps the strongest, in part because the nature of regulation discourages rather than encourages the creation of multi-ethnic companies. In Bosnia PSCs are regulated at the entity level rather than nationally. This means that a company registered in FBiH cannot legally operate in Republika Srpska and vice versa. Further, within the FBiH enforcement is at the Cantonal level. In this way the regulatory framework strongly discourages the establishment of multi-ethnic security companies. It is therefore vital that regulation is introduced at the national level so that companies can begin to work legally across the country.

4.3 Political affiliations

The issue of links between political parties and the private security industry was highlighted in Serbia and Croatia as well as, to a lesser extent, in Bosnia and Herzegovina, Macedonia and Kosovo. This is a matter of concern for two reasons. Firstly, such links may create opportunities for corruption, especially with regard to public or governmental tenders. Secondly, such links raise the possibility that an armed PSC could operate as a political militia should the opportunity or need arise. However, in contrast to many other parts of the world where PSCs have performed a political role in disrupting the constitutional order and helping to destabilise governments, the countries of SEE are by and large fortunate in having a PSC sector that has not posed a threat to the legal authorities.

4.4 Paramilitary affiliations

This was an issue of great concern in Macedonia as there was evidence that ethnically based groups, formally from the security forces, had established security firms. While it is inevitable that former members of the security forces find employment in the PSC industry, in the context of post conflict reconstruction this tendency is a matter of concern. In other parts of the world, PSCs have been used as a means of keeping armed paramilitary groups active following the end of a conflict, essentially acting as a form of reserve force should they need to be rapidly mobilised. In the case of Macedonia concern centres principally on members of the 'Wolves', a former Macedonian special forces unit, and the 'Lions', a former paramilitary police unit, both of which were involved in the 2001 conflict. There is also more limited evidence of links between PSCs and former paramilitaries in Serbia and Kosovo. It is important in such cases that action is taken to break any links and reorient companies away from such affiliations.

4.5 Organised Crime affiliations

In its early years the private security industry in the region was often closely associated with organised crime syndicates and was seen as a negative phenomenon by the general public. In some parts of the region this is still an issue. Affiliations between organised criminal groups and PSCs were identified as a matter of concern in every entity covered by the report except for Moldova (and in this case it was probably because of a culture of poor transparency rather than the absence of the problem). It was interesting to note that in countries such



as Bulgaria, Romania and Croatia where the private security market has become the most professionalised, the more crudely organised criminal elements have been removed from the market, as much as a consequence of commercial pressure as any other factor.

5 Regulation and conduct

5.1 Legal basis for control of PSCs

While there has been a growth in the privatization of security, it is important to recognise that in most countries where this phenomena is most advanced, the industry is now regulated at least at the domestic level.¹⁵ Great variation still exists across the region, however, between states that have yet to regulate at all, (e.g. Serbia where more than 30,000 basically unregulated armed private security guards operate), and those with the most advanced regulatory systems, (Bulgaria and Romania in particular). In a region with diverse country membership, in which some states are nearing EU accession and others have only recently emerged from conflict and still depend for their stability on international peace-support operations (e.g. BiH, Kosovo, Macedonia, Moldova), this is to be expected.

Where states have introduced national regulation, there often remain important omissions or loopholes in the legislation. For instance, in Bulgaria and Macedonia there is no provision made for background checks by police despite there being a prohibition on the employment of convicted criminals. Therefore, it is important that all countries should take into account the country specific recommendations in this study. Further, some thought should be given by those donors who support SSR programmes in the region to working towards harmonisation of laws in the region. An important opportunity arises in the case of countries applying to join the EU. EU entry will inevitably mean the private security market being opened up to international companies. In such circumstances it is in the long-term interests of domestic companies to adopt European standards before they find themselves in competition with international PSCs. In the case of Serbia it is vital that specific regulations are introduced to govern the work of the industry as soon as possible.

Despite the introduction of legislation in most countries there remains concern about the enforcement of these regulations. In some cases, such as Bulgaria and Albania, this is because the police, or other enforcement bodies, do not see the companies as a major problem. However, in other cases it is because of the inability or unwillingness of oversight actors to execute their responsibilities properly. A lack of enforcement is of special concern regarding the use of firearms by PSC personnel. While legislation on the use and storage of SALW in SEE generally reflects international norms, this report identified evidence that the legislation was being ignored by PSCs in a number of cases. This was especially the case with regard to PSC employees taking their firearms home with them.

5.2 Use of force and firearms

PSCs are permitted to carry firearms in every country or entity in the region with the exception of Kosovo, where only international personnel can be armed. While the regulations are different in each country, in most cases PSCs are restricted to the use of short-barrelled 9mm weapons. The few countries that do allow the use of military style weapons, such as Albania and Serbia, should urgently review this. Not only are assault rifles and other automatic weapons inappropriate for use in urban environments during peacetime, they are also not necessarily particularly useful as a defensive weapon at close range compared to a pistol or revolver.

It is positive that regulations on the control of weapons exist in all SEE countries, with most countries insisting that when on duty, employees should only use company as opposed to personal firearms. Legislation in Romania has historically been even more exacting, requiring all PSC firearms to be leased from the police. Though this is due to change, it has allowed for greater state control of SALW until now. Such control ensures that it would be more readily apparent if a PSC were using an illegal weapon. Although Kosovo is the only jurisdiction covered by the study that does not allow local PSCs to carry weapons, there is evidence to suggest that PSC employees, who

¹⁵ For instance in the UK the industry is regulated through the 2001 Private Security Industry Act. See http://www.the-sia.org.uk/home/about_sia/legislation/psia.htm.



are also licensed bodyguards, do in fact carry personal firearms when working for PSCs. If this is true, the issue is addressed at the earliest opportunity, possibly by following the Romanian precedent of leasing police weapons to local PSCs in controlled circumstances.

There has been evidence of lax armoury discipline in some of the countries examined as part of this research, which entails the risk of weapons being misused by individual PSC employees. In order to combat the potential misuse of firearms registered to PSCs, all countries in the region should ensure that there are regular and random inspections of PSC armouries to ensure compliance with existing regulations. Such inspections should pay adequate attention to the management and accounting of ammunition by PSCs, an area that this research could not examine in any detail.

Finally, concerns were raised in most countries about the potential 'heavy-handedness' of PSC employees. While this is always a matter of concern, it should be noted that in some cases allegations made during interviews could not be verified and that there were relatively few proven cases of the misuse of force or firearms. Given the vital importance of questions surrounding the use of force, policy-makers, researchers and civil society organisations should continue to monitor the use of force by PSC personnel, with a particular focus on ensuring that the private security sector adheres to the best international standards, and in particular the UN Basic Principles on the Use of Force and Firearms by Law Enforcement Officials.

A further issue that needs to be addressed is the extent to which PSCs should be armed and, if so, with what. The question of whether to arm security agencies, public and private, is one that should be answered only after careful threat analysis, regulation and training and with effective oversight mechanisms in place. However, in cases where it is deemed necessary and appropriate to arm private security guards, there is the added question of what sort of arms are appropriate for their use. Since in some SEE societies possession of SALW is widespread, it may seem obvious that security guards should be armed with firearms rather than chemical sprays and other less lethal weapons. Other courses of action are however available, and one might argue that denying arms to private security guards will help to reduce the public visibility and acceptability of SALW and establish a culture in which lethal force and firearms are only used when it is essential for the protection of life, rather than as a routine means for settling disputes. In some cases PSCs interviewed for this research were clearly in favour of their staff being permitted to use less-lethal weapons in addition to firearms. Were these weapons to become a substitute for firearms, this should be considered. If however the intention is to use these weapons in addition to firearms, and with a lower threshold of provocation, such moves should be resisted. These are all debates that the countries in the region should embrace. The use of less lethal weapons was not however addressed during this research in any detail and this is an area that warrants further investigation in the future.

5.3 Professionalism and training

Some degree of training is on offer to PSC staff in all countries studied for this report, though to varying standards and with different levels of consistency. Sometimes independent colleges deliver training, while at other times companies themselves or the state (often the police) provide training. This raises questions about the effectiveness of training, especially when conducted by individual PSCs. The curricula offered and the duration of the courses also vary widely from country to country, although most have a number of basic elements including understanding the law, use of weapons and firearms (where relevant), and first aid. However, training in first aid for instance, is often undermined by the lack of a requirement to carry field dressings or a first aid kit when bearing a firearm. In future all countries in the region should ensure that state-certified training courses are made compulsory for PSC staff, with licences being issued only on successful completion of training. They should also ensure that non-state training providers are themselves subject to assessment. The curricula followed should meet some minimum requirements, and in particular should follow and explicitly reference the UN Basic Principles of the Use of Force and Firearms for Law Enforcement Officials.

Trade associations of one form or another are present in approximately half of the jurisdictions assessed. Where there is no trade organisation the industry should consider forming one, as this is a way for professional companies to distance themselves from those companies in the sector who are associated with organised crime groups or other such organisations. Further, very few trade associations had any form of code of conduct in order to demonstrate their professionalism. Further, should a trade association adopt such a code of conduct employers of PSCs should insist that they only grant tenders to companies who take part in these schemes.



6 Oversight

To various degrees there were common concerns in most of the countries of the region about the extent to which regulations are adequately implemented. Concerns were raised especially about those PSCs that employed significant numbers of former members of the security sector, where perhaps ‘favours’ can be called in. It is therefore essential that the oversight process itself is monitored and reviewed on an ongoing basis. In light of this, time-limited licensing, which is not used in all jurisdictions, should be introduced to encourage regular reviews of company practice. It is especially important that complaints of heavy-handedness or illegal behaviour are investigated, since it was commonly alleged by interviewees that this is often not the case. All states should provide an additional layer of oversight above and beyond that provided by national police and intelligence services, looking in particular to develop the capacity of ombudsman’s offices and parliamentary committees to scrutinise the work of the private security sector and handle complaints.

7 Summary

It is arguable that while it is in the very nature of the private security industry to feed off people’s perceptions of insecurity, a sizable, well functioning and professional sector is ultimately both an indication and key guarantor of stability. Though concerns about its professionalisation and conduct remain, the private security industry in SEE has made great progress in terms of improved professionalism over the last decade or so, to the point where in most cases its members pose little or no security threat. There are of course important exceptions that have been well covered elsewhere in this report, ranging from cases of improper criminal, political or paramilitary affiliations, to the improper use of force in individual cases.

It is vital that companies continue to move in this positive direction, and that they embrace codes of conduct and other mechanisms to ensure that dubious operators are excluded from the industry. Client organisations, whether businesses, state institutions, development agencies or international organisations should also promote self regulation and take some responsibility themselves in ensuring that they only employ companies which adhere to the highest professional standards. Procurement policy and practice should always strive to exclude companies with known links to political parties, organised crime cartels or paramilitaries. For their part the governments of the region have a special responsibility to effectively regulate PSCs and to empower other national institutions such as parliaments and ombudsman’s offices to oversee the sector. The pattern of expansion that this research has identified in countries where the PSC industry is most advanced may soon apply region-wide. In light of this the regulatory authorities of each country and entity in the region should continue to work towards the establishment of professional private security sector by working in collaboration with international organisations and the industry itself to address those areas of concern identified in this report. Civil society actors also have an important part to play in monitoring the evolution of the industry and in developing proposals for effective regulation at the national, regional and international levels. With this in mind, Saferworld and International Alert will continue to work together with local partner organisations to further elaborate best practice standards and tools for use by client organisations and regulatory authorities on the basis of these initial research findings.





Annex A – Basic Principles on the Use of Force and Firearms by Law Enforcement Officials

Adopted by the Eighth United Nations Congress on the Prevention of Crime and the Treatment of Offenders, Havana, Cuba, 27 August to 7 September 1990.

Whereas the work of law enforcement officials¹⁶ is a social service of great importance and there is, therefore, a need to maintain and, whenever necessary, to improve the working conditions and status of these officials,

Whereas a threat to the life and safety of law enforcement officials must be seen as a threat to the stability of society as a whole,

Whereas law enforcement officials have a vital role in the protection of the right to life, liberty and security of the person, as guaranteed in the Universal Declaration of Human Rights and reaffirmed in the International Covenant on Civil and Political Rights,

Whereas the Standard Minimum Rules for the Treatment of Prisoners provide for the circumstances in which prison officials may use force in the course of their duties,

Whereas article 3 of the Code of Conduct for Law Enforcement Officials provides that law enforcement officials may use force only when strictly necessary and to the extent required for the performance of their duty,

Whereas the preparatory meeting for the Seventh United Nations Congress on the Prevention of Crime and the Treatment of Offenders, held at Varenna, Italy, agreed on elements to be considered in the course of further work on restraints on the use of force and firearms by law enforcement officials,

Whereas the Seventh Congress, in its resolution 14, inter alia, emphasizes that the use of force and firearms by law enforcement officials should be commensurate with due respect for human rights,

Whereas the Economic and Social Council, in its resolution 1986/10, section IX, of 21 May 1986, invited Member States to pay particular attention in the implementation of the Code to the use of force and firearms by law enforcement officials, and the General Assembly, in its resolution 41/149 of 4 December 1986, inter alia, welcomed this recommendation made by the Council,

Whereas it is appropriate that, with due regard to their personal safety, consideration be given to the role of law enforcement officials in relation to the administration of justice, to the protection of the right to life, liberty and security of the person, to their responsibility to maintain public safety and social peace and to the importance of their qualifications, training and conduct,

The basic principles set forth below, which have been formulated to assist Member States in their task of ensuring and promoting the proper role of law enforcement officials, should be taken into account and respected by Governments within the framework of their national legislation and practice, and be brought to the attention of law enforcement officials as well as other persons, such as judges, prosecutors, lawyers, members of the executive branch and the legislature, and the public.

General provisions

1. Governments and law enforcement agencies shall adopt and implement rules and regulations on the use of force and firearms against persons by law enforcement officials. In developing such rules and regulations, Governments and law enforcement agencies shall keep the ethical issues associated with the use of force and firearms constantly under review.

2. Governments and law enforcement agencies should develop a range of means as broad as possible and equip law enforcement officials with various types of weapons and ammunition that would allow for a differentiated use of force and firearms. These should include the development of non-lethal incapacitating weapons for use in appropriate situations, with a view to increasingly restraining the application of means capable of causing

¹⁶ In accordance with the commentary to Article 1 of the Code of Conduct for Law Enforcement Officials, the term "law enforcement officials" includes all officers of the law, whether appointed or elected, who exercise police powers, especially the powers of arrest or detention. In countries where police powers are exercised by military authorities, whether uniformed or not, or by State security forces, the definition of law enforcement officials shall be regarded as including officers of such services.



death or injury to persons. For the same purpose, it should also be possible for law enforcement officials to be equipped with self-defensive equipment such as shields, helmets, bullet-proof vests and bullet-proof means of transportation, in order to decrease the need to use weapons of any kind.

3. The development and deployment of non-lethal incapacitating weapons should be carefully evaluated in order to minimize the risk of endangering uninvolved persons, and the use of such weapons should be carefully controlled.
4. Law enforcement officials, in carrying out their duty, shall, as far as possible, apply non-violent means before resorting to the use of force and firearms. They may use force and firearms only if other means remain ineffective or without any promise of achieving the intended result.
5. Whenever the lawful use of force and firearms is unavoidable, law enforcement officials shall:
 - (a) Exercise restraint in such use and act in proportion to the seriousness of the offence and the legitimate objective to be achieved;
 - (b) Minimize damage and injury, and respect and preserve human life;
 - (c) Ensure that assistance and medical aid are rendered to any injured or affected persons at the earliest possible moment;
 - (d) Ensure that relatives or close friends of the injured or affected person are notified at the earliest possible moment.
6. Where injury or death is caused by the use of force and firearms by law enforcement officials, they shall report the incident promptly to their superiors, in accordance with principle 22.
7. Governments shall ensure that arbitrary or abusive use of force and firearms by law enforcement officials is punished as a criminal offence under their law.
8. Exceptional circumstances such as internal political instability or any other public emergency may not be invoked to justify any departure from these basic principles.

Special provisions

9. Law enforcement officials shall not use firearms against persons except in self-defence or defence of others against the imminent threat of death or serious injury, to prevent the perpetration of a particularly serious crime involving grave threat to life, to arrest a person presenting such a danger and resisting their authority, or to prevent his or her escape, and only when less extreme means are insufficient to achieve these objectives. In any event, intentional lethal use of firearms may only be made when strictly unavoidable in order to protect life.
10. In the circumstances provided for under principle 9, law enforcement officials shall identify themselves as such and give a clear warning of their intent to use firearms, with sufficient time for the warning to be observed, unless to do so would unduly place the law enforcement officials at risk or would create a risk of death or serious harm to other persons, or would be clearly inappropriate or pointless in the circumstances of the incident.
11. Rules and regulations on the use of firearms by law enforcement officials should include guidelines that:
 - (a) Specify the circumstances under which law enforcement officials are authorized to carry firearms and prescribe the types of firearms and ammunition permitted;
 - (b) Ensure that firearms are used only in appropriate circumstances and in a manner likely to decrease the risk of unnecessary harm;
 - (c) Prohibit the use of those firearms and ammunition that cause unwarranted injury or present an unwarranted risk;
 - (d) Regulate the control, storage and issuing of firearms, including procedures for ensuring that law enforcement officials are accountable for the firearms and ammunition issued to them;
 - (e) Provide for warnings to be given, if appropriate, when firearms are to be discharged;
 - (f) Provide for a system of reporting whenever law enforcement officials use firearms in the performance of their duty.



Policing unlawful assemblies

12. As everyone is allowed to participate in lawful and peaceful assemblies, in accordance with the principles embodied in the Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights, Governments and law enforcement agencies and officials shall recognize that force and firearms may be used only in accordance with principles 13 and 14.

13. In the dispersal of assemblies that are unlawful but non-violent, law enforcement officials shall avoid the use of force or, where that is not practicable, shall restrict such force to the minimum extent necessary.

14. In the dispersal of violent assemblies, law enforcement officials may use firearms only when less dangerous means are not practicable and only to the minimum extent necessary. Law enforcement officials shall not use firearms in such cases, except under the conditions stipulated in principle 9.

Policing persons in custody or detention

15. Law enforcement officials, in their relations with persons in custody or detention, shall not use force, except when strictly necessary for the maintenance of security and order within the institution, or when personal safety is threatened.

16. Law enforcement officials, in their relations with persons in custody or detention, shall not use firearms, except in self-defence or in the defence of others against the immediate threat of death or serious injury, or when strictly necessary to prevent the escape of a person in custody or detention presenting the danger referred to in principle 9.

17. The preceding principles are without prejudice to the rights, duties and responsibilities of prison officials, as set out in the Standard Minimum Rules for the Treatment of Prisoners, particularly rules 33, 34 and 54.

Qualifications, training and counselling

18. Governments and law enforcement agencies shall ensure that all law enforcement officials are selected by proper screening procedures, have appropriate moral, psychological and physical qualities for the effective exercise of their functions and receive continuous and thorough professional training. Their continued fitness to perform these functions should be subject to periodic review.

19. Governments and law enforcement agencies shall ensure that all law enforcement officials are provided with training and are tested in accordance with appropriate proficiency standards in the use of force. Those law enforcement officials who are required to carry firearms should be authorized to do so only upon completion of special training in their use.

20. In the training of law enforcement officials, Governments and law enforcement agencies shall give special attention to issues of police ethics and human rights, especially in the investigative process, to alternatives to the use of force and firearms, including the peaceful settlement of conflicts, the understanding of crowd behaviour, and the methods of persuasion, negotiation and mediation, as well as to technical means, with a view to limiting the use of force and firearms. Law enforcement agencies should review their training programmes and operational procedures in the light of particular incidents.

21. Governments and law enforcement agencies shall make stress counselling available to law enforcement officials who are involved in situations where force and firearms are used.

Reporting and review procedures

22. Governments and law enforcement agencies shall establish effective reporting and review procedures for all incidents referred to in principles 6 and 11 (f). For incidents reported pursuant to these principles, Governments and law enforcement agencies shall ensure that an effective review process is available and that independent administrative or prosecutorial authorities are in a position to exercise jurisdiction in appropriate circumstances. In cases of death and serious injury or other grave consequences, a detailed report shall be sent promptly to the competent authorities responsible for administrative review and judicial control.

23. Persons affected by the use of force and firearms or their legal representatives shall have access to an independent process, including a judicial process. In the event of the death of such persons, this provision shall apply to their dependants accordingly.



24. Governments and law enforcement agencies shall ensure that superior officers are held responsible if they know, or should have known, that law enforcement officials under their command are resorting, or have resorted, to the unlawful use of force and firearms, and they did not take all measures in their power to prevent, suppress or report such use.

25. Governments and law enforcement agencies shall ensure that no criminal or disciplinary sanction is imposed on law enforcement officials who, in compliance with the Code of Conduct for Law Enforcement Officials and these basic principles, refuse to carry out an order to use force and firearms, or who report such use by other officials.

26. Obedience to superior orders shall be no defence if law enforcement officials knew that an order to use force and firearms resulting in the death or serious injury of a person was manifestly unlawful and had a reasonable opportunity to refuse to follow it. In any case, responsibility also rests on the superiors who gave the unlawful orders.



Annex B - Research Questionnaire

Country or territory being researched:
Name of researcher:
Organisation:
Telephone (with country & city code):
Fax:
Email:

Part 1: Introduction

QUESTION	SOURCES
1. Do you know of any PSCs operating in your country? If so, please list the names of the most well-known ones.	
2. Are the PSCs operating in your country nationally owned, internationally owned, or both? <i>(Please give examples of each type, and total number operating where known.)</i>	
3. How many companies are there <i>(please indicate whether this is an exact number taken from official sources, or your estimate. If an estimate, please specify how your calculation was made)?</i>	
4. How many private security guards do you estimate there to be in the whole country?	
5. Approximately how many staff does each company have?	
6. What is the average salary for a junior private security guard? <i>(please give salaries both for junior and senior level staff).</i>	
7. What is the average salary of a police officer?	
Other comments: <i>[please provide any additional information you feel is important below]</i>	

Part 2: The services PSCs provide

QUESTION	SOURCES
8. Who employs PSCs? (e.g. politicians, businesses, international organisations, NGOs). <i>Please specify exact type and name of organisation where possible.</i>	
9. Are there certain areas in the country (regions/towns) where PSCs are particularly active?	
10. Who, or what do they usually protect? (e.g. people, buildings, goods).	
11. How many international actors employ PSCs? (e.g. NGOs, international organisations, international businesses).	
12. What form of protection do they provide for their clients? (e.g. rapid response, static security, close protection) Please list them in order of importance with 1 being the most important?	



QUESTION	SOURCES
13. What threats do clients hire PSCs to protect them from?	
14. How serious do you perceive these threats to be?	
15. How common is it for PSCs to be employed by private citizens, either to protect properties or the individual?	
16. Are private security companies contracted by the government to play special roles such as running prisons or guarding government buildings?	
17. How many households employ PSCs? <i>(please indicate whether this is an exact number taken from official sources, or your estimate. If an estimate, please specify how your calculation was made).</i>	
18. What is the overall rate of recorded crime in the country? <i>(please state total number of recorded crimes for years 2002, 2003 and 2004 where available).</i>	
a) Is the rate of recorded crime higher, lower, or the same in the areas where PSCs operate? <i>Please specify.</i>	
19. What is the overall rate of recorded VIOLENT crime in the country? <i>(please state total number of recorded violent crimes for years 2002, 2003 and 2004 where available. Also, please list the specific forms of crime in this case).</i>	
a) Is the rate of VIOLENT crime higher, lower or the same in the areas where PSCs operate? <i>Please specify.</i>	
Other comments: <i>[please provide any additional information you feel is important below]</i>	

Part 3: The legal basis for controlling PSCs

QUESTION	SOURCES
20. Is there any legislation in your country that regulates the work of PSCs? If so, please give the full title of the legislation in English and its State Gazette number.	
21. Does the law govern domestic (national) PSCs in the same way as international ones? If not, what are the differences?	
22. Are the laws enforced in practice? If not, in what way is the law not enforced, and why?	
23. Is there any immunity agreement for international PSCs? If so, is there any extra-territorial form of control? <i>Please specify.</i>	
24. Does the legislation provide for the following? (in each case, please specify the exact Article in the relevant legislation).	
b) Restrictions on the weaponry that companies can and can not use, and restrictions on reasonable use of force?	
c) Specific requirements to register either companies or personnel with the police or interior ministry?	
d) An official register of PSCs in your country detailing the ownership, size and form of activities offered? If so is this open to the public or confidential?	
e) Background checks to prevent convicted criminals owning or working for a PSC? If so do these checks include close family members (e.g. partners, parents, siblings or children) of either owners or employees?	
f) Are there any requirements for personnel to be trained, and if so how?	



QUESTION	SOURCES
g) The type of weapons that PSC staff may own.	
h) The storage methods they must use for weapons stored at the company buildings.	
i) The accounting methods they must use when issuing weapons and ammunition to staff, and also when they are used.	
25. Are any international companies treated differently from locals in legal terms? (If so, please specify how).	
Other comments: [please provide any additional information you feel is important below]	

Part 4: The regulatory framework for controlling PSCs

QUESTION	SOURCES
26. Do PSCs have any self-regulation, e.g. a voluntary 'Code of Conduct' established by companies themselves? If so, please specify what it involves and make clear whether there are any penalties for breaking it?	
27. Are there any particular governmental institutions responsible for regulating PSCs (e.g. for registering them, training security guards, or monitoring their work)? If so, please specify the exact duties and powers the organisation has.	
28. Do any joint working agreements exist between PSCs and state-run police services, in which the police formally allocate a role for PSCs?	
29. Are there any situations where state-run police services provide extra security to businesses on a contractual basis? If so, please specify the exact services and contractual relationship involved.	
30. Are there any informal institutions responsible for regulating PSCs (e.g. a trade association)? If so, please specify the exact duties and powers the organisation has.	
31. How transparent or open are the procedures for monitoring the implementation of regulations? Is there any official monitoring of the oversight actors?	
32. Does the regulatory system work in practice? (please state any known problems).	
a) Has there been any example of a PSC or employee being disciplined or punished by the authorities?	
b) Is there any evidence that crimes or misdemeanours carried out by PSCs have been deliberately overlooked?	
c) In your opinion, what measures could be taken to improve the system?	
33. By what process (if any) are PSCs appointed and contracts reviewed?	
Other comments: [please provide any additional information you feel is important below]	



Part 5: Firearms

QUESTION	SOURCES
34. Are private security guards armed? If so, what type of weapons do they usually have access to? (specifically, do guards have access to military-style weapons such as assault rifles?).	
35. Are private security guards required to wear a uniform or carry a visible id card when on duty? <i>If so please make clear what the requirements are?</i>	
36. Do private security guards carry concealed weapons?	
37. Are the weapons that private security guards use registered?	
38. Are the registered weapons registered specially for use by private security guards?	
39. Are their weapons registered to the employer or to the individual guard?	
40. When weapons are not in use, are they stored on company's premises, or are they taken home by employees?	
41. What are the accounting procedures at the company? (e.g. is a register kept by the company? Are weapons signed in and out by employees).	
42. Are there any differences between domestic and international PSCs with regard to weapons possession, use and management? (e.g. type and ownership of weapons, storage and accounting procedures).	
Other comments: <i>[please provide any additional information you feel is important below]</i>	

Part 6: Professionalism and training

QUESTION	SOURCES
43. What background do the staff employed by PSCs operating in your country tend to have? (e.g. do they have a particular professional or ethnic background such as ex-police/military)	
44. Is any training for PSC staff required under national legislation, or informal regulations? (e.g. membership of professional associations)? <i>If so, what type of training is provided, for how long, and by whom?</i>	
45. Is it easy to by-pass, avoid tests or cheat during training? <i>Further, has it been known for candidates to try and bribe officials in order to pass them? How rigorous is the testing? What is the pass/failure rate?</i>	
46. Do PSC staff use force, and in particular firearms, only 'when strictly necessary and to the minimum extent required under the circumstances'? ¹⁷	
47. Are PSC staff taught to apply the minimal use of force during any training they receive?	
48. Are armed PSC personnel trained in first aid and equipped to render assistance to anybody that they have shot? <i>If yes do PSC employees carry first aid kits when on duty?</i>	
49. Are there special procedures to report or investigate PSCs if they fire their weapons, or are they covered by the Penal Code?	
50. Do the major clients that PSCs work for (especially multinational companies and international organisations) require that company staff have been trained as part of their contract tendering process?	

¹⁷ UN Code of Conduct for Law Enforcement Officials (Article 3), UN Basic Principles on the Use of Force and Firearms by Law Enforcement Officials (Principles 4,5,6 and 9).



QUESTION	SOURCES
51. Do the authorities ever conduct inspections in order to assess whether companies comply with regulations? <i>If so are they spot checks or is there notice that an inspection will happen?</i>	
52. Overall, how professional do you judge PSC staff operating in your country to be?	
53. Are you aware of any cases where individuals accused, or convicted, of human rights violations have been employed by PSCs?	
54. Have there been any media reports concerning human rights abuses and/or excessive use of force by PSC staff?	
55. Do you perceive there to be any difference between the level of professionalism in domestic and international PSCs? Please specify.	
56. Are there unregistered PSCs in your country or other groups that carry out this function?	
Other comments: <i>[please provide any additional information you feel is important below]</i>	

Part 7: Impact

QUESTION	SOURCES
57. What impact does the use of PSCs have on the following? :	
a) State-run police services	
b) Crime levels	
c) Public safety	
d) Human rights	
e) Business confidence	
Other comments: <i>[please provide any additional information you feel is important below]</i>	

Part 8: Affiliations

QUESTION	SOURCES
58. Are there any formal or informal connections (including ownership) between PSCs and any of the following? <i>(in each case, please explain the nature of any connections please note that connections can include close family members):</i>	
a) State-run police services.	
b) The military.	
c) Government officials.	
d) Political parties.	
e) Militias/paramilitaries.	
f) Organised criminal groups.	



QUESTION	SOURCES
59. To what extent are different PSCs in your country supported or undermined by political actors (e.g. parties, government)?	
60. Are there PSCs that only provide services to one group (e.g. political party, ethnic group)?	
61. Is there an ethnic dimension to the formation and use of PSCs (e.g. are there PSCs with certain ethnic, religious, linguistic, clan or family affiliations, or is their formation a reaction to inter-ethnic politics)?	
Other comments: <i>[please provide any additional information you feel is important below]</i>	

Part 9: Background and trends

QUESTION	SOURCES
62. Is insecurity and/or crime a serious problem in the country? <i>(please give details of any specify significant threats to the security of citizens.)</i>	
63. When did PSCs first begin operating in the country?	
64. How has their presence and role varied over time? (e.g. the services they provide, the clients they work for, the number of companies operating)	
65. What events explain these trends (if any)?	
66. What conditions create the current demand for PSCs in the country?	
67. What is your prediction regarding the future work of PSCs in the country (e.g. do you predict that the number of PSCs will increase or decrease, and why?)	
Other comments: <i>[please provide any additional information you feel is important below]</i>	

Part 10: Interviews held

NAME	ORGANISATION	DEPARTMENT	JOB TITLE	CONTACT DETAILS	INTERVIEW DATE
	[Police]				
	[Ministry of Interior]				
	[Professional/trade organisations]				
	[Private Security company]				
	[Client: member of the international community]				
	[Client: international/multinational company]				



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NAME	ORGANISATION	DEPARTMENT	JOB TITLE	CONTACT DETAILS	INTERVIEW DATE
	[Client: national company]				
	[Client: Small/local business]				
	[Chamber of Commerce]				
	[Human Rights Group]				

Final comments: *[Is there any further information you feel is important?]*





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International Alert is an independent peace-building organisation working in over twenty countries and territories around the world. We work with people affected by violent conflict as well as at government, EU and UN levels to shape both their policy and practice in building sustainable peace. Our regional work is based in the African Great Lakes, West Africa, the Caucasus, Colombia, Sri Lanka, Nepal and the Philippines. We also work on crosscutting issues that affect peace building, such as business, humanitarian aid and development, gender, security and post-conflict reconstruction.

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Saferworld is an independent non-governmental organisation that works with governments and civil society internationally to research, promote and implement new strategies to increase human security and prevent armed violence.

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